

# Transportation Economic Revenue Forecast Council

September 2025 Transportation Economic and  
Revenue Forecast

Volume I: Summary

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## **Preface**

Washington law mandates the preparation and adoption of economic and revenue forecasts. The organizations primarily responsible for revenue forecasts are the Economic and Revenue Forecast Council and the Office of Financial Management. The Office of Financial Management has the statutory responsibility to prepare and adopt those forecasts not made by the Economic and Revenue Forecast Council (RCW 43.88.020). The Office of Financial Management has carried out its forecast responsibilities for transportation revenues through the Transportation Revenue Forecast Council. Each quarter, the technical staff of the Department of Licensing, the Department of Transportation, the Washington State Patrol, and the Economic Revenue Forecast Council produce the revenue projections.

The revenue forecasts agreed upon by the Transportation Revenue Forecast Council members became the official estimated revenues under RCW 43.88.020 21.

The 2023 Legislature amended RCW 82.33.020 through the passage of ESHB 1838. As a result, WSDOT transferred the state's motor fuels, fuel prices, vehicle registration, and other revenue forecast activities to Washington's Economic Revenue Forecast Council (ERFC). The transition of forecasting activities from WSDOT to ERFC was completed in 2024, and the September 2024 forecast was the first forecast produced by ERFC.

September 2025 Transportation Forecast Overview

Forecast Overview

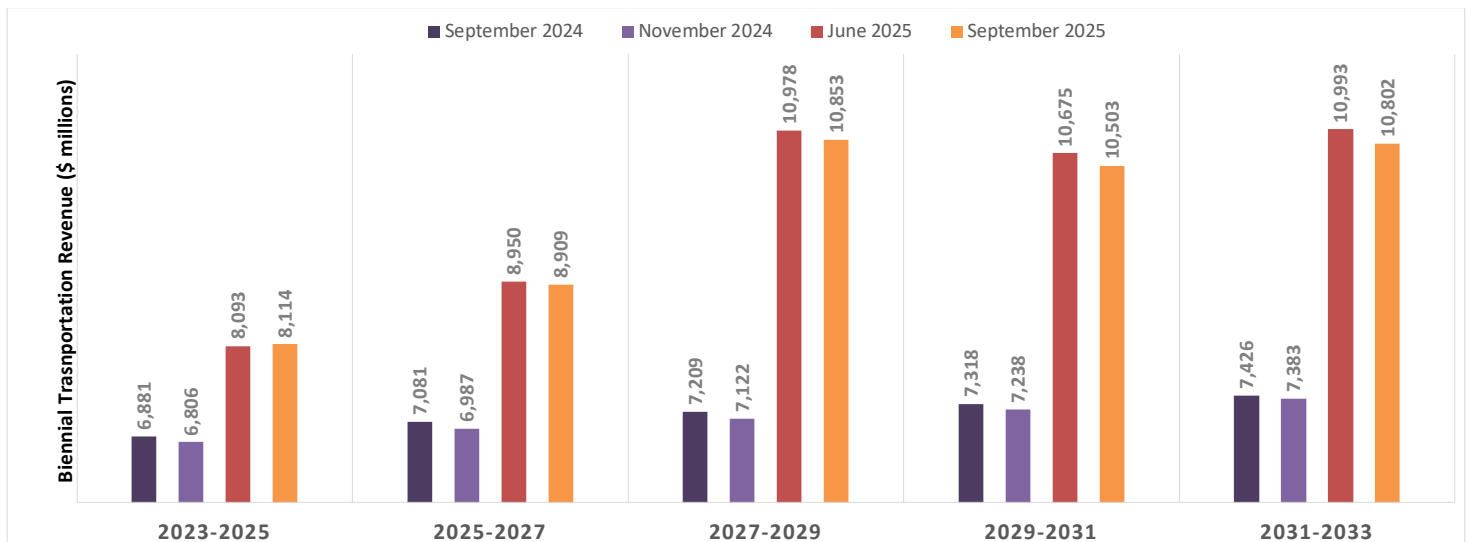
- 2023–2025 Biennium:** The total transportation revenue estimate for the 2023–25 biennium stands at \$8.11 billion, reflecting a \$ 21.74 million increase compared to the June 2025 forecast. This is primarily attributed to adding funds, such as the Pilotage account and Tolls, incorporating actual revenues. (see Figure 1).
- 2025–2027 Biennium:** Revenues for the 2025–27 biennium are projected at \$8.91 billion, representing a decrease of \$41 million, or -0.46 %, over the June 2025 forecast (see Figure 1).
- 2027–2029 Biennium:** Revenues for the 2027–29 biennium are anticipated to reach \$10.85 billion, reflecting a decrease of \$125 million, or -1.14%, compared to the June 2025 forecast (see Figure 1).
- Three-Biennia Forecast Horizon:** Over the three-biennia forecast horizon, total baseline revenues for September 2025 have decreased by \$144 million, or -0.5%, relative to the June 2025 forecast. (see Figure 1).

Forecast to September Comparison for Transportation Revenues and Distributions 10-Year Period												
September 2025 Forecast to June 2025 Forecast millions of dollars												
	Biennium 2023-2025				Current Biennium 2025-2027				Biennium 2027-2029			
	Forecast September 2025	Forecast June 2025	Chg from June 2025	Percent Change	Forecast September 2025	Forecast June 2025	Chg from June 2025	Percent Change	Forecast September 2025	Forecast June 2025	Chg from June 2025	Percent Change
<b>Sources of Transportation Revenue</b>												
Motor Vehicle Fuel Tax Collections	3,227.7	3,235.4	(7.62)	-0.24%	3,596.9	3,656.8	(59.85)	-1.64%	3,729.2	3,843.8	(114.62)	-2.98%
Licenses, Permits and Fees	1,997.4	1,990.4	6.99	0.35%	2,230.5	2,228.0	2.50	0.11%	2,427.5	2,425.7	1.82	0.08%
Ferry Revenue†	377.4	377.4	(0.08)	-0.02%	453.3	448.0	5.31	1.18%	476.1	476.1	(0.03)	-0.01%
Toll Revenue	554.0	536.0	17.93	3.35%	561.7	555.3	6.45	1.16%	602.4	600.2	2.23	0.37%
Aviation Revenues	15.8	15.2	0.56	3.69%	15.5	14.5	1.01	6.94%	14.8	14.1	0.71	5.04%
Rental Car Tax	90.1	90.1	0.02	0.03%	149.6	148.4	0.22	0.15%	161.7	161.6	0.18	0.11%
Vehicle Sales Tax/Sales Tax Transfer	126.3	127.7	0.54	0.42%	253.0	252.9	0.19	0.07%	903.9	920.8	(16.84)	-1.83%
Driver-Related Fees	359.0	359.7	(0.66)	-0.18%	418.3	419.3	(0.97)	-0.23%	413.1	415.6	(2.48)	-0.60%
Business/Other Revenues	137.9	133.9	4.06	3.03%	244.8	240.6	4.16	1.73%	304.6	300.4	4.18	1.39%
Climate Commitment Act	886.9	886.9	0.00	0.00%	1,056.2	1,056.2	0.00	0.00%	860.2	860.2	0.00	0.00%
Transfers	339.9	339.9	0.00	0.00%	(70.6)	(70.6)	0.00	0.00%	959.9	959.9	0.00	0.00%
<b>Total Revenues</b>	<b>8,114.3</b>	<b>8,092.6</b>	<b>21.74</b>	<b>0.27%</b>	<b>8,909.2</b>	<b>8,950.2</b>	<b>(40.99)</b>	<b>-0.46%</b>	<b>10,853.4</b>	<b>10,978.3</b>	<b>(124.85)</b>	<b>-1.14%</b>
<b>Distribution of Revenue</b>												
Motor Fuel Tax Refunds and Transfers	206.5	205.3	1.20	0.58%	231.5	231.4	0.15	0.06%	241.4	245.0	(3.62)	-1.48%
Motor Fuel Administrative Fee - DOL	19.2	19.2	0.00	0.00%	20.1	19.1	0.97	5.06%	20.9	18.9	2.00	10.54%
<b>State Uses</b>												
Motor Vehicle Account (108)	1,293.0	1,290.9	2.02	0.16%	1,866.0	1,892.7	(26.72)	-1.41%	2,146.9	2,183.6	(36.77)	-1.68%
Transportation 2003 (Nickel) Account (550)	394.8	395.5	(0.66)	-0.17%	391.0	395.0	(4.00)	-1.01%	388.3	397.8	(9.52)	-2.39%
Transportation 2005 Partnership Account (09H)	579.8	586.3	(6.46)	-1.10%	573.5	586.8	(13.31)	-2.27%	569.8	591.7	(21.93)	-3.71%
Connecting Washington Account (20H)	828.6	839.5	(10.84)	-1.29%	793.2	812.9	(19.65)	-2.42%	746.9	778.7	(31.73)	-4.07%
Multimodal Account (218)	687.2	686.0	1.19	0.17%	682.4	682.3	0.09	0.01%	2,208.6	2,225.8	(17.23)	-0.77%
Special Category C Account (215)	45.7	45.9	(0.14)	-0.31%	44.6	45.4	(0.71)	-1.56%	43.8	45.3	(1.48)	-3.26%
Puget Sound Capital Construction Account (099)	33.3	33.4	(0.10)	-0.31%	32.5	33.0	(0.51)	-1.56%	31.9	32.9	(1.07)	-3.26%
Puget Sound Ferry Operations Account (109)	437.2	434.9	2.28	0.52%	502.4	499.4	3.04	0.61%	520.5	525.8	(5.22)	-0.99%
Capital Vessel Replacement Account (18J)	54.7	55.3	(0.54)	-0.98%	77.8	78.3	(0.44)	-0.56%	86.9	87.6	(0.69)	-0.79%
Tacoma Narrows Bridge Account (511)	168.3	163.9	4.43	2.70%	164.5	162.7	1.81	1.11%	166.9	165.8	1.11	0.67%
High Occupancy Toll Lanes Account (09F)*	13.1	13.1	0.00	0.00%	20.7	20.7	0.00	0.00%	30.2	30.2	0.00	0.00%
SR 520 Corridor Account (16J)	175.1	172.6	2.51	1.46%	200.4	196.5	3.93	2.00%	206.3	205.8	0.48	0.23%
SR 520 Corridor Civil Penalties Account (17P)	12.8	7.2	5.60	77.51%	6.6	7.8	(1.2)	-15.38%	8.9	7.8	1.08	13.90%
Interstate 405 Express Toll Lanes Operations (595)	81.5	81.5	0.00	0.00%	85.7	85.7	0.00	0.00%	106.1	106.1	0.00	0.00%
Alaskan Way Viaduct Replacement Acct. (535)	103.1	97.7	5.39	5.52%	81.9	82.0	(0.08)	-0.10%	83.9	84.4	(0.44)	-0.52%
Aeronautics Account (039)	15.7	15.1	0.56	3.70%	19.9	18.9	1.01	5.33%	22.9	22.2	0.71	3.22%
Washington State Aviation Account (21G)	0.1	0.1	0.00	0.00%	0.1	0.1	(0.00)	-1.31%	0.1	0.1	(0.00)	-5.14%
State Patrol Highway Account (081)	462.9	462.5	0.49	0.11%	491.6	489.9	1.72	0.35%	512.4	511.1	1.31	0.26%
Highway/Motorcycle Safety Accts. (106 & 082)	299.1	299.6	(0.55)	-0.18%	436.5	438.8	(2.21)	-0.50%	476.3	479.1	(2.77)	-0.58%
School Zone Safety Account (780)	0.5	0.5	0.02	4.05%	0.4	0.4	0.00	0.00%	0.4	0.4	0.00	0.00%
Other accounts (201, 06T, 09T, 09E, 216, 07C, 24-K)	43.9	43.6	0.27	0.61%	45.1	44.9	0.12	0.26%	45.7	45.7	0.03	0.06%
Electric Vehicle Account (20J)	57.8	57.8	(0.00)	0.00%	0.0	0.0	0.00	0.00%	0.0	0.0	0.00	0.00%
Ignition Interlock Devices Revolving Acct 14V	7.7	7.9	(0.20)	-2.48%	7.8	7.9	(0.12)	-1.49%	8.1	8.1	0.00	0.00%
Multistate Roadway Safety Account Collections-571	0.6	0.6	(0.01)	-1.90%	0.6	0.6	(0.02)	-2.39%	0.7	0.7	(0.01)	-2.15%
Move Ahead WA Accounts - 26P	209.8	209.5	0.25	0.12%	275.6	277.9	(2.23)	-0.80%	284.7	286.4	(1.66)	-0.58%
Move Ahead WA Accounts - 26Q	260.4	260.5	(0.15)	-0.06%	35.7	34.8	0.85	2.43%	260.7	260.9	(0.25)	-0.09%
Driver Education Safety Improvement Account (29F)	0.0	0.0	0.00	#DIV/0!	12.2	12.3	(0.09)	-0.73%	16.5	16.7	(0.23)	-1.36%
ISA Revolving Account (29V)	0.0	0.0	0.00	#DIV/0!	0.0	0.0	0.00	#DIV/0!	0.0	0.0	0.00	#DIV/0!
Carbon Emissions Reductions Account (CERA) - 26A	886.9	886.9	0.00	0.00%	1,056.2	1,056.2	0.00	0.00%	860.2	860.2	0.00	0.00%
Pilotage Account - 025	3.6	0.0	3.60	#DIV/0!	3.5	0.0	3.54	#DIV/0!	3.5	0.0	3.47	#DIV/0!
State Patrol Nonappropriated Airplane Revolving Account - 4	1.2	0.0	1.18	#DIV/0!	1.1	0.0	1.10	#DIV/0!	1.0	0.0	1.04	#DIV/0!
<b>Total for State Use</b>	<b>7,158.4</b>	<b>7,148.2</b>	<b>10.15</b>	<b>0.14%</b>	<b>7,911.6</b>	<b>7,963.7</b>	<b>(52.11)</b>	<b>-0.65%</b>	<b>9,839.1</b>	<b>9,960.9</b>	<b>(121.78)</b>	<b>-1.22%</b>
<b>Cities</b>	<b>175.2</b>	<b>175.9</b>	<b>(0.71)</b>	<b>-0.40%</b>	<b>180.3</b>	<b>183.8</b>	<b>(3.44)</b>	<b>-1.87%</b>	<b>182.0</b>	<b>188.4</b>	<b>(6.41)</b>	<b>-3.40%</b>
<b>Counties</b>	<b>296.4</b>	<b>284.7</b>	<b>11.78</b>	<b>4.14%</b>	<b>305.9</b>	<b>288.6</b>	<b>17.34</b>	<b>6.01%</b>	<b>304.6</b>	<b>291.7</b>	<b>12.92</b>	<b>4.43%</b>
Transportation Improvement Board (112 & 144)	191.4	192.0	(0.60)	-0.31%	190.7	193.5	(2.80)	-1.45%	192.3	198.3	(5.99)	-3.02%
County Road Administration Board (102 & 253)	67.2	67.3	(0.08)	-0.11%	69.2	70.2	(0.97)	-1.39%	73.1	75.1	(2.04)	-2.71%
<b>Total for Local Use</b>	<b>730.3</b>	<b>719.9</b>	<b>10.39</b>	<b>1.44%</b>	<b>746.1</b>	<b>736.0</b>	<b>10.13</b>	<b>1.38%</b>	<b>751.9</b>	<b>753.5</b>	<b>(1.51)</b>	<b>-0.20%</b>
<b>Total Distribution of Revenue</b>	<b>8,114.3</b>	<b>8,092.6</b>	<b>21.74</b>	<b>0.27%</b>	<b>8,909.4</b>	<b>8,950.2</b>	<b>(40.87)</b>	<b>-0.46%</b>	<b>10,853.4</b>	<b>10,978.3</b>	<b>(124.92)</b>	<b>-1.14%</b>

† Ferry Fares plus non-farebox revenue

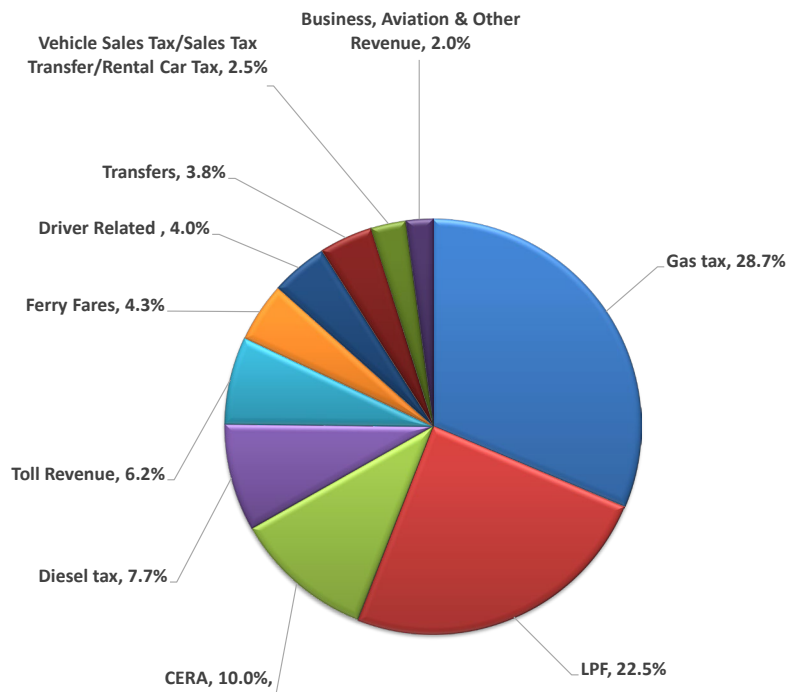
Figure 1: Current September 2025 vs. June 2025 Forecast: All Revenues

Figure 2 presents a comparison of transportation revenues across the four most recent forecast cycles: September 2025, June 2025, March 2025, and November 2024. The September 2025 forecast estimates the 10-year total transportation revenue to be \$49.18 billion, -1% lower compared to the projections in the June 2025 forecast \$49.68 billion.



**Figure 2: Total Transportation Revenues Estimates - Biennia: September 2025 – November 2024**

Washington's transportation revenue is derived from various taxes, fees, permits, tolls, and other sources. The quarterly revenue forecasts include the components outlined in Figure 3. This graph illustrates the projected distribution of revenue sources for the 2023–25 biennium, totaling \$8.11 billion. Gasoline fuel taxes represent the largest share, accounting for 28.7% of the total. Collectively, fuel taxes contribute approximately 36.4% of all revenues. Revenues from licenses, permits, and fees comprise the second-largest share, at 22.5%. The four primary revenue sources are expected to account for 68.9% of total revenues for the 2023–25 biennium. The remaining 31.1% is projected to come from ferry fares, toll revenues, driver-related revenues, transfers, and other transportation-related sources.



**Figure 3: Revenue By Source 2023-25 Biennium**

Economic Variables Forecast

In their revenue forecasts, analysts utilize a variety of economic and demographic variables to monitor trends. The Washington State Department of Transportation (WSDOT) and the Economic Revenue Forecast Council (ERFC) compile key economic variables, which include real personal income in Washington, inflation, sector-specific employment, housing starts, Vehicles Miles Traveled (VMT), and sales of new light vehicles in the U.S. The variables for September 2025 are based on forecasts provided by ERFC, S&P Global, and the Office of Financial Management (OFM).

Below, we present an analysis and key insights for Annual Miles Traveled Vehicles and fuel prices.

Annual Vehicle Miles Traveled

Monthly data on Vehicle Miles Traveled (VMT) is sourced from two primary datasets:

- The WSDOT State Highway Annual Vehicle Miles of Travel (AVMT) reports mileage for Interstate, State Route, and U.S. Route segments.
- The Federal Highway Administration’s Traffic Volume Trends provides comprehensive coverage of all state roads.

Updated information is available for the period from 2008 to 2025.

The Economic and Revenue Forecast Council (ERFC) has developed a VMT forecast using quarterly time series analysis, with Washington State employment serving as the primary economic driver.

AVMT experienced annual growth of 8% in 2021, tapering to 1.4% in 2024. Growth is projected to continue at a slower pace, with the highest annual increase of 0.8% expected in 2029. By 2030, VMT is anticipated to return to levels observed in 2019.

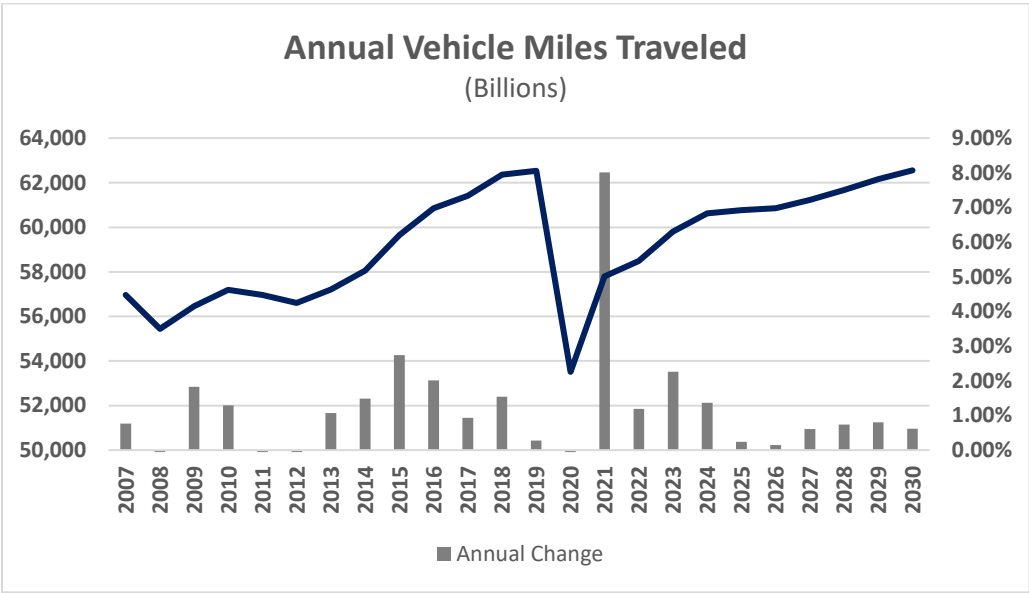


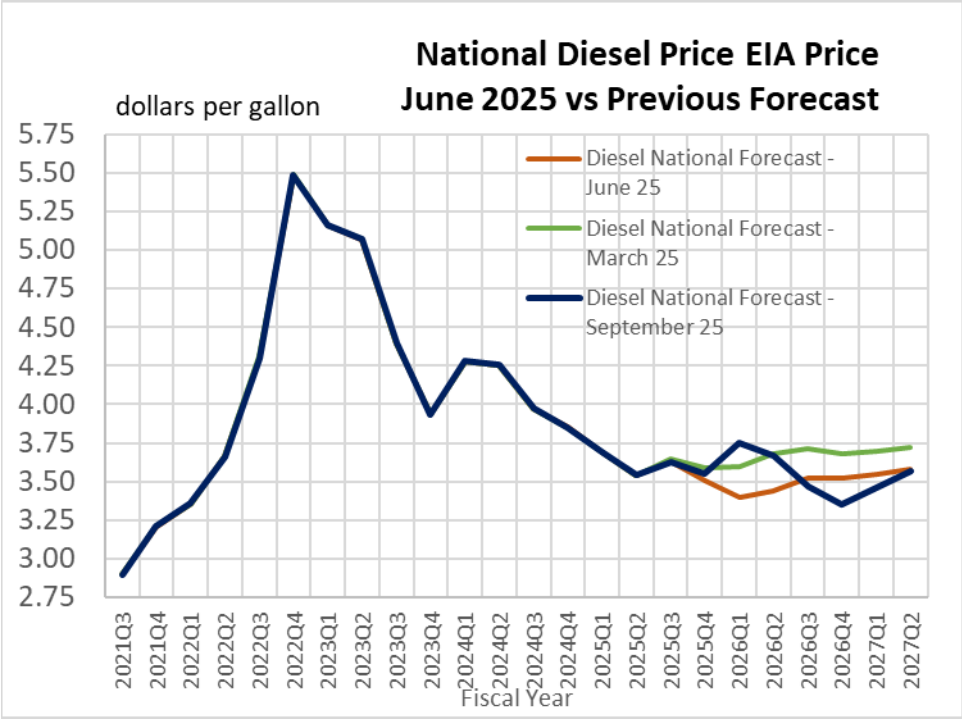
Figure 4: Annual Vehicle Miles Traveled  
Source: EIA Forecast based on FHWA data

**Fuel Prices**

The fuel price forecast has been updated using a similar methodology and the same price references described in detail in September 2024, Volume I. Biodiesel prices are based on Washington State Ferries’ latest reported purchase price of biodiesel, including markup, delivery, and other tax costs (Adjusted Price Per Gallon, APPG).

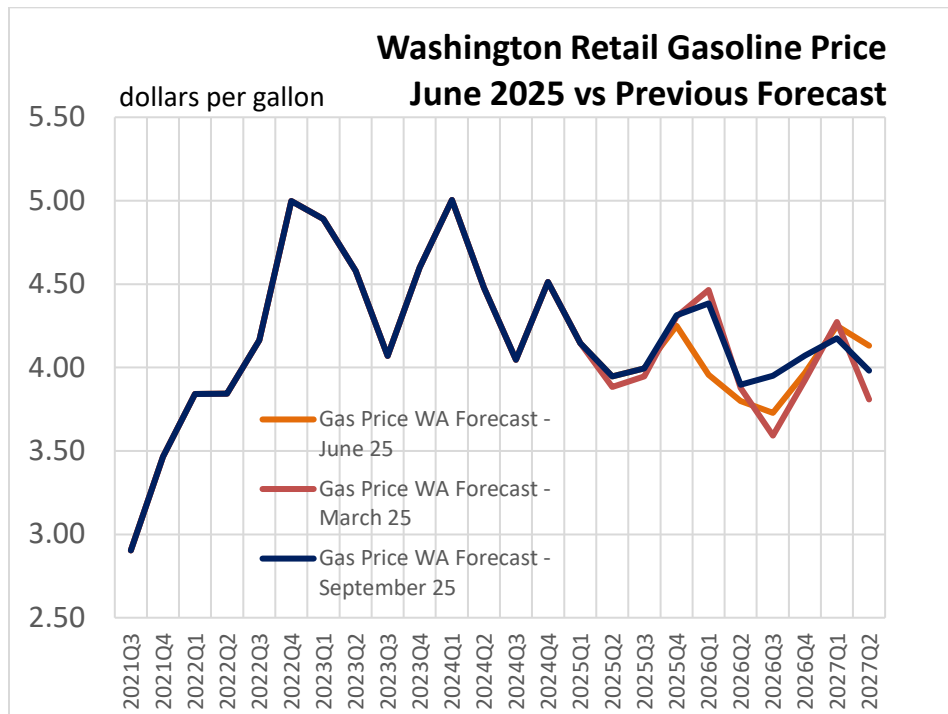
The reference prices are derived from two primary sources:

- S&P Global: Gasoline Price. ERFC sends this file to partner forecasters before developing the forecast.
- US Energy Information Administration (EIA): Diesel Price. This is from the EIA Short-Term Energy Outlook, September 09, 2025. ERFC forecast may not capture the increase in oil prices observed after the EIA forecast was published.



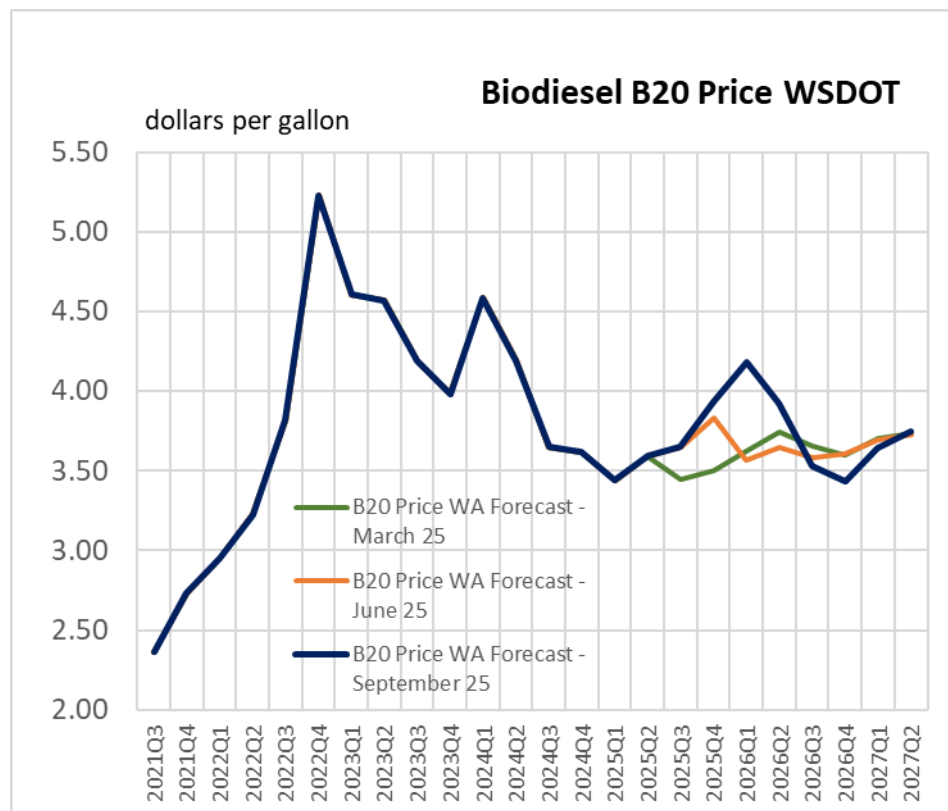
**Figure 5: National Diesel Price**  
Source: EIA

Brent Oil prices continue declining, and it is expected to continue this trend in the coming months, and the biodiesel price forecast aligns with diesel price trends. The figure indicates an increase in the diesel price forecast for the first quarter of FY 2026, with an expected annual decrease of -7.7% by the end of the 2026 fiscal year, bringing the estimates close to \$3.35 per gallon. The fuel prices forecast for September 2025 is presented below. The graphs show trends in various fuel prices from fiscal year 2022 to mid-2027, reflecting futures markets for Brent oil as detailed in the [STEO](#) report on pages 20 and 21. Gasoline prices decreased since their peak in the first quarter of fiscal year 2024 (\$5.00) to a lower level of \$3.95 in the second quarter of FY 2025. It increased in the first quarter of FY 2026 (\$4.38), with the forecast suggesting a price of around \$4.17 per gallon by the first quarter of FY 2027.



**Figure 6: Washington retail gasoline price**

Source: ERFC estimates and S&P global national price of reference



**Figure 7: Washington biodiesel price**

Source: ERFC estimates and S&P global national price of reference

In the first quarter of FY 2026, biodiesel prices for B20 experienced a year-over-year growth rate of 21.5%. The forecast indicates that prices may decrease to approximately \$3.75 per gallon for B20 in the second quarter of FY 2027. Prices for Biodiesel 5 weren't updated because WSF is not getting B5 deliveries.

Fiscal year - Quarter	Gas Price WA Forecast	Diesel Price Forecast	Diesel National Forecast	B20 Price WA Forecast	B5 Price WA Forecast
2021Q3	2.90	3.00	2.90	2.36	2.02
2021Q4	3.47	3.36	3.21	2.73	2.37
2022Q1	3.84	3.64	3.36	2.95	2.60
2022Q2	3.84	3.92	3.66	3.23	2.90
2022Q3	4.16	4.53	4.29	3.82	3.55
2022Q4	5.00	5.66	5.48	5.23	4.74
2023Q1	4.89	5.42	5.16	4.61	4.25
2023Q2	4.58	5.26	5.07	4.57	3.98
2023Q3	4.07	4.64	4.40	4.19	3.71
2023Q4	4.60	4.33	3.94	3.98	3.62
2024Q1	5.00	4.71	4.28	4.59	4.39
2024Q2	4.48	4.64	4.25	4.19	3.62
2024Q3	4.05	4.14	3.97	3.65	3.12
2024Q4	4.51	4.06	3.85	3.62	3.14
2025Q1	4.15	3.92	3.69	3.44	3.07
2025Q2	3.95	3.76	3.54	3.59	3.11
2025Q3	3.99	3.82	3.63	3.65	3.20
2025Q4	4.31	3.83	3.55	3.93	3.13
2026Q1	4.38	4.15	3.75	4.18	3.15
2026Q2	3.90	4.01	3.67	3.92	3.11
2026Q3	3.95	3.71	3.47	3.53	3.11
2026Q4	4.07	3.66	3.35	3.43	3.05
2027Q1	4.17	3.82	3.46	3.64	3.25
2027Q2	3.98	3.94	3.57	3.75	3.16

**Figure 8: Fuel prices forecast**

*Source: ERFC estimates*

## Motor Vehicle Fuel Tax Forecast

The Motor Vehicle Fuel Tax (MVFT) forecast is divided into two primary categories: Gasoline (Gas) and Special Fuels (SF). The MVFT forecast, along with the corresponding revenue forecast and distributions, has been updated.

Fuel consumption was forecasted using models that employed quarterly data. The two principal explanatory variables for gas gallonage are Washington State employment and electric vehicle registrations. For special fuels, the primary variable is Washington taxable sales adjusted for inflation. Snowmobile refunds were also forecasted by the Department of Licensing (DOL).

The actual data provided by DOL has been impacted by a system defect following the CORE21 implementation. This issue has affected fuel tax reporting for the first six months (January to June, month of sales). ERFC has decided to use 2025 data from the DOL Compared Gallons report for the first two quarters of 2025 for gasoline and for special fuel only for the first quarter of 2025. ERFC proceeded to update the estimates based on economic variables and legislative changes. The MVFT distribution tables incorporate changes that the Washington State Office of Treasury made to the cities and counties' distribution formulas in previous years.

ERFC is still incorporating the legislative changes as before from [ESB 5801](#):

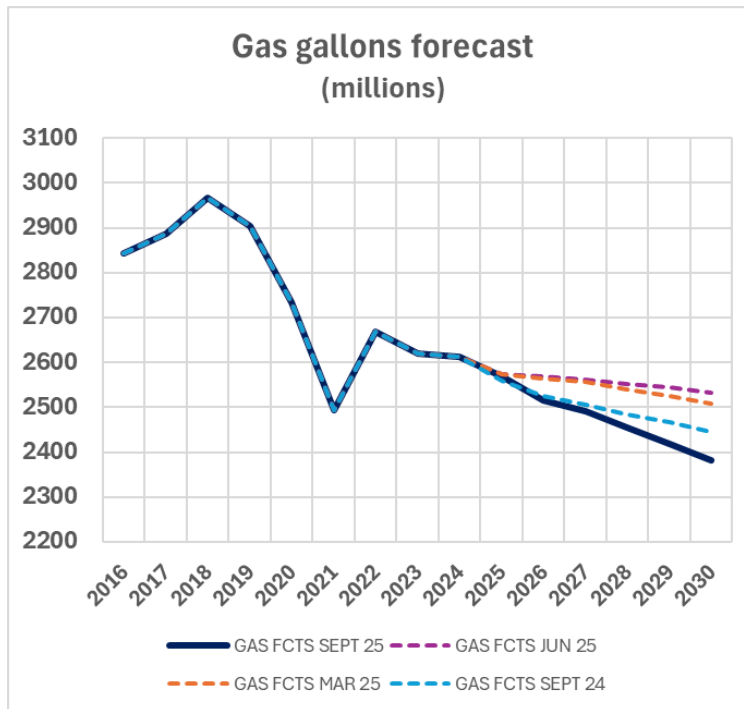
- Beginning July 1, 2025, the fuel tax rate for motor vehicle fuel and special fuel increased by \$0.06 per gallon from \$0.494 to \$0.554 per gallon. In addition, the fuel tax rate for special fuel has increased by \$0.03 per gallon, effective July 1, 2025, and by an additional \$0.03 per gallon, effective July 1, 2027. Fuel tax rates, except for the special fuel differential rates, are increased by an inflation adjustment factor of 2 percent each year beginning July 1, 2026.
- The special fuel differential rate is increased by an inflation adjustment factor of 2 percent each year beginning July 1, 2028. Revenue generated from these fuel tax rate increases is distributed to the Motor Vehicle Fund, except that 2.5 percent is distributed to incorporated cities and 2.5 percent is distributed to counties.

Gasoline consumption has been declining in the last three fiscal years (Figure 9) at similar annual declining rates for 2023 and 2025 between (-1.7% and -1.8%). The forecast is lower than the previous forecast by -2.1% for fiscal year 2026 and -0.96% for fiscal year 2027. The average rate of change for gasoline demand varies from -1.47% in FY2028 to -1.65% in FY2035.

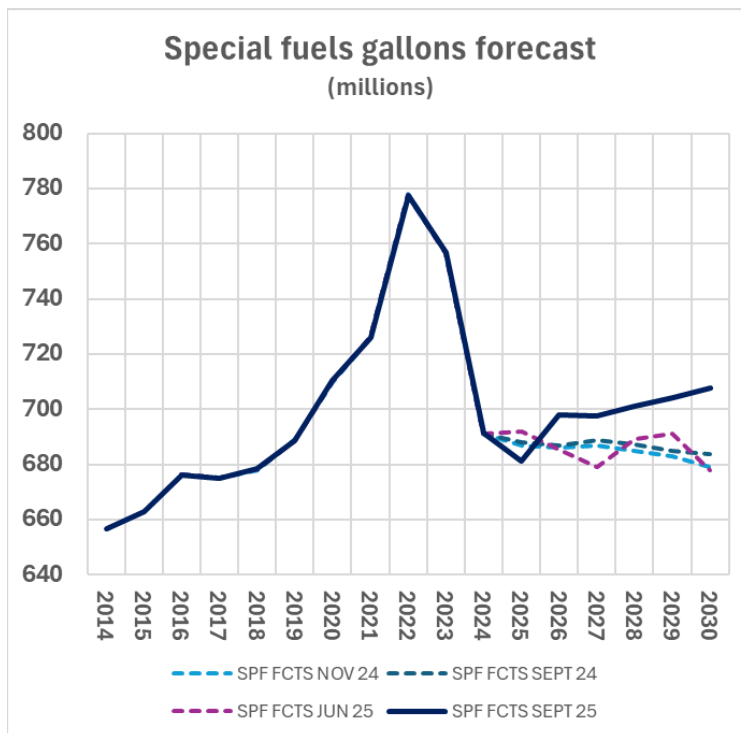
The forecast for special fuels consumption is higher than the previous forecast, with a 1.8% increase for fiscal year 2026 and a 2.7% increase for fiscal year 2027. The September 2025 forecast utilizes projected real taxable sales (adjusted for inflation) for years after 2029, following the trend of income from the S&P Long Term forecast. The result is a forecast that exceeds the projection made in June 2025 (Figure 10).

The forecast for total motor fuel consumption is lower than the previous forecast by -1.2% for fiscal year 2026. The gap between the last and new forecasts widens for later fiscal years, with the forecast for 2030 being -4.8% lower for all motor fuels in fiscal year 2031.

Washington State is expected to collect approximately \$3.23 billion from the Motor Vehicle Fuel Tax (MVFT) in the 2023-2025 biennium, a decrease of \$7.7 million or 0.24% from June's forecast. For the 2025-2027 biennium, MVFT revenue is projected at \$3.6 billion, representing a decrease of \$ 59.8 million or -1.64% compared to the previous projection.



**Figure 9: Gasoline consumption and annual percentage change**  
*Source: ERFC estimates – Treasury reports*



**Figure 10: Special Fuel consumption and annual percentage change**  
*Source: ERFC estimates – Treasury reports*

## Motor Vehicle Revenue (Licenses, Permits, and Fees)

### Overview

Vehicle-related forecasts fall into two main categories: motor vehicle registrations and license plate-related fees. These forecasts have a variety of small fees, but most of the revenue is from registration-based fees. There are five main economic drivers of the vehicle licenses, permits, and fees (LPF) forecast: Washington population and net migration, Washington real personal income, Washington Non-ag Employment, Washington - U.S. real income share, and U.S. sales of light vehicles. It is important to note that Engrossed Substitute Senate Bill 5801 (ESSB 5801) impacted many LPF-related revenues for Fiscal Year 2026 (2025-2027 Biennium) and beyond. These impacts were implemented in the June 2025 forecast, thus the changes in the September forecast represent changes in economic and recent actuals.

Washington State anticipates collecting about \$1.99 billion from vehicle licenses, permits, and fees (LPFs) in the 2023-2025 biennium, which is an increase of \$7.0 million or 0.35% compared to the forecast for June 2025. The LPF forecast is anticipated to be \$2.23 billion by the 2025-2027 biennium, which is up about \$2.5 million or .11% from the previous forecast.

One of the main drivers of the LPF revenue forecasted by the Economic and Revenue Forecast Council (ERFC) is the vehicle registration forecasts and corresponding revenue forecasts. The forecast models for cars and trucks remain unchanged from the previous forecast. The forecast for cars is slightly higher than the June forecast due largely to the fact that actual car registrations were slightly higher than expected and the forecast for non-farm employment is generally unchanged. The truck registration forecast is also slightly higher than the previous forecast. This is because actual truck registrations since last forecast were just slightly higher than the forecasted registrations. The fees used to convert vehicle registrations to revenues are unchanged from the prior forecast. There are small changes to the forecast for motorhomes, travel trailers, and other vehicle types.

These registration forecasts have a direct impact on the weight-based and non-weight-based registration fees. The three major revenues that the ERFC forecasts for the LPF are the Vehicles paying Basic License Fee (\$30), Vehicles paying Weight-based Registration Fee (All Trucks), and the Passenger Vehicle Weight Fee. For the 2025-2027 biennium, the Vehicles paying Basic License Fee (\$30) decreased 0.01% compared to the June forecast, while the Vehicles paying Weight-Based Registration Fees (All Trucks) increased 0.6% and the Passenger Vehicle Weight Fee increased 0.05%.

Overall, the ERFC forecasted portion of the LPF revenue for the 2023-25 biennium is \$1.487 Billion, up from \$1.480 billion (0.51%) in the June 2025 Forecast. For the 2025-27 biennium, the ERFC forecasted portion of the LPF revenue is \$1.629 billion, up from \$1.622 billion (0.40%) in the June 2025 forecast.

The September 2025 forecast of LPF revenue projected by the Department of Licensing includes the following revenue sources:

- Dealer temporary permit, registration, and plate fees.
- DOL services account.
- Electric vehicles and charging infrastructure fees.
- Plates: original, replacement, transfer, and reflectivity; multimodal account and license plate technology.
- Title fees: regular and quick title.
- Vehicle business licenses.
- Service and filing fees.

- Other fees: abandoned RV disposal, IFTA decals, intermittent-use trailers, multiuse roadway fees.

These LPF fees are deposited into 18 different accounts, including Motor Vehicle Account Capital Vessel Replacement Account, and Move Ahead WA.

This forecast incorporates the known impact of 2025 passed legislation, which increased various LPF fees. The DOL forecasted portion of LPF revenue for 2025-27 biennium is \$601.9 million, a minimum decrease of \$3.9 million (-0.7%) from the prior forecast. Over the ten-year period of FY2026-2035, DOL forecasted LPF revenues are projected to total \$4,058 million, a \$13.6 million lower (-0.3%) from the previous forecast.

#### ***Primary reasons for the change in the September 2025 forecast***

- **Abandoned Vehicle Fee** forecast increased \$200K (3.7%) in the 2025-27 biennium, and the ten-year outlook is increased by \$1.9 million (6.7%) compared to the previous forecast.
- **Original Issue Plate** forecast is lowered by \$2.3 million (-2%) for the 2025-27 biennium and lowered by \$3.9 million (-0.6%) for the ten-year horizon compared to previous forecast, due to low-tracking actuals.
- **Plate Replacement Fee** forecast is lowered by \$2 million (-2.5%) for the 2025-27 biennium and the ten-year outlook is lowered by \$7.3 million (-1.8%) compared to previous forecast.
- **DOL Service Fee** forecast is lowered by \$0.2 million (-1.8%) for the 2025-27 biennium and the ten-year outlook is lowered by \$2.4 million (-3.4%) compared to the previous forecast.
- **Filing Fees** forecast is lowered by \$0.6 million (-6.9%) for the 2025-27 biennium and the ten-year outlook is lowered by \$2.5 million (-5.8%) compared to the previous forecast.
- **Intermittent-Use Trailers** forecast is lowered gradually over the next 10-years, reflecting declining year-over-year trend from actuals. Forecast is lowered \$0.7 million (-14%) for the ten-year outlook compared to previous forecast.

### **Driver Related Revenue Forecasts**

#### ***Overview***

The *September 2025* forecast of driver-related revenue projected by the Department of Licensing includes the following revenue sources:

- Driver license fees: commercial driver licenses, enhanced driver licenses, and temporary restricted licenses
- ID card fees
- Driver exam application fees
- Abstract driving records (ADR)
- Motorcycle operator fees
- Ignition interlock fees,
- Other miscellaneous fees: limousine licenses, fines and forfeitures, and driver school instructor license fees.

These driver-related fees are deposited into the Highway Safety Fund (HSF), Motorcycle Safety Education Account (MSEA), the State Patrol Highway Account (SPHA), Move Ahead WA Flexible Account (MAWA), Ignition Interlock Revolving Account (IIRA) Driver Education Safety Improvement Account, and Intelligent Speed Assistance Revolving

Account.

Driver-related revenue for FY 2025-27 biennium is forecasted at \$418.3 million, \$1 million lower (-0.2%) from the prior forecast. Over the ten-year period of FY2026-2035, driver-related revenues are projected to total \$2,129 million, \$15.2 million lower (-0.7%) than the prior forecast.

It is important to note that with SHB1207 passed in the 2021 legislative session, DOL offers eight-year licenses and ID cards, along with the existing six-year license and IDs. For the first four years of implementation, all first time Driver/ID issuances will have variable renewal terms while Driver and ID renewals will follow either a six- or eight-year renewal cycle depending on customer choice. Caution is advised in year-over-year comparisons.

***Notable changes in the September 2025 forecast:***

- Total Driver Licenses Fees revenue actuals track 5% average variance lower than June 2025 forecast over 4 months. July and August busy summer travels make higher than forecasted demand in Enhanced Driver License (EDL) and Identification (EID), not too far from REAL ID deadline in April 2025, while other driver-related transactions which require 'counter time' are still in temporary decline.
- **Driver License Fee** forecast is lowered by \$2.3 million (-1.3%) for 2025-27 biennium, while the 10-year forecast is lowered by \$13 million (-1.5%) compared to the previous forecast. Consistent with lower ERFC nonfarm employment economic variable used for original driver licenses.
- **Identicard Fee** forecast is lowered by \$0.8 million (-4.2%) for 2025-27 biennium, while the 10-year forecast is lowered by \$1.1 million (-1.1%) compared to the previous forecast. We came to the six-year identicard renewal cycle of pandemic months, with lower-than-expected actual transactions.
- **EDL and EID** forecast is increased by \$2 million (4%) for 2025-27 biennium. The 10-year forecast decreased by \$0.8 million (-0.4%).

**Other Transportation Related Revenue Forecast**

***Overview***

This category of transportation related revenue forecasts consists of four primary components: vehicle sales and use taxes, rental car sales taxes, studded tire fees and business and other revenues. The business and other revenue category includes the following revenue sources:

- Sales of property
- WSP and DOT services and publications and documents
- Filing fees and legal services
- Property management
- Access Permits (Highways)
- Outdoor Advertising
- Other revenues
- Speed Safety Camera Systems

ESSB 5801 (2025) modifies existing tax revenues as well as introduces new ones. Here are the changes that affect this section:

- **Rental Car Tax (Existing Tax & New Tax):** The 5.9% additional rental car tax is increased to 11.9% on January 1, 2026 and then adjusted down to 9.9% on January 1, 2027 and thereafter; and (2) applies these rates to peer-to-peer car transaction involving a vehicle exempted from retail sales or use tax. True peer-to-peer transactions involving personal car sharing by individuals would not be subject to taxation.
- **Motor Vehicle Sales and Use Tax (Existing Tax):** Increases the additional sales tax assessment on motor vehicles from 0.3% to 0.5% beginning January 1, 2026.
- **Luxury Vehicle Tax (New Tax):** Imposes a luxury tax of 8% on a portion of the retail sale, lease, or transfer of a vehicle beginning January 1, 2026. Applies to the portion of the selling price or value that exceeds \$100,000. The deduction of \$100,000 is increased by 2% per year.
- **Luxury Noncommercial Aircraft Tax (New Tax):** Imposes a luxury tax of 10% on a portion of the retail sale, lease, or transfer on an aircraft beginning April 1, 2026. Applies to the portion of the selling price or value that exceeds \$500,000 of non-commercial aircraft.
- **Recreational Vessel Tax (New Tax):** Imposes a 0.5% sales and use tax on recreational vessels beginning July 1, 2026.
- **Tire Fee (New Tax):** Increases the existing \$1 tire replacement fee to \$5 and increases the amount retained by the retailer to 25 cents beginning January 1, 2026.
- **Work Zone Safety Cameras (Existing Tax):** Current policy provides a \$0 fine for the 1st offense. Increases the fine for the first offense to \$125 beginning July 1, 2026, through the pilot termination.

In addition to the changes in ESSB 5801, ESSB 5802 (2025) dedicates 0.1 percent of the state sales and use tax into the Multimodal Transportation Account starting July 1, 2027. Additionally, starting June 2025, specific amounts appropriated for transportation from the Climate Commitment Act (CCA) are now included in the forecast. These include allocations to the Carbon Emissions Reduction Account (CERA). The information presented outlines the projected annual allocation to CERA, which is set at approximately \$359 million per year, extending through 2035. Additionally, transfers from other accounts to CERA are included if they are explicitly specified in current biennial budgets. However, since there are no predefined rules governing future appropriations, these transfers are assumed to be zero for fiscal years without detailed budgets. HB 2077 establishes a tax on certain business activities related to surpluses generated under the zero-emission vehicles program. Some of the proceeds from the tax will be deposited in the CERA starting in FY 2028.

During the 2024 Legislative Session, SSB 6115 passed, and it will amend RCW 46.63.200. The RCW continues to authorize use of automated Speed Safety Camera Systems (aka Work Zones Speed Cameras (WZSC)) in active work zones on state highways. The intention of WZSC is to help reduce vehicle speeds in active work zones while increasing overall safety for travelers and workers, alike. The penalty for a speed safety camera system violation is: (a) \$0 for the first violation; and (b) \$248 for the second violation, and for each violation thereafter. Revenue generated from these systems must be deposited into the Highway Safety Fund and first used exclusively for operating and administrative costs associated with these systems. Any revenue that exceeds the operation and administrative costs must be distributed for the purpose of traffic safety, including but not limited to, driver training education, and local DUI emphasis patrols.

The Washington State Department of Transportation (WSDOT) and the Washington State Patrol (WSP) were originally directed to collaborate and have operational Speed Safety Camera Systems in place by July 1, 2024. The deployments have been pushed back to March of 2025. This is due to reaching an impasse during contract negotiations with the first selected apparent Successful Vendor (ASV). An updated RFP was released April 2, 2024. These systems will be in place through September 30, 2030. Both agencies have been working diligently to lay the groundwork for successful implementation. We have been Integrating best practices for how these systems are deployed around the country; and are engaged in ongoing discussions about rulemaking refinements. We have recently concluded a Request for Proposal (RFP). We estimate the five-year horizon, Speed Safety Cameras revenues of \$73.4M.

State Patrol Highway Account miscellaneous revenue consists of ACCESS fees (fees charged for usage of our

statewide law enforcement telecommunications system), Breathalyzer Test fines, DUI Cost Reimbursement, Commercial Vehicle Penalties and Communication Tower Site Leases and Terminal Safety Inspection fees.

***Primary reasons for the change in the September 2025 Forecast***

- In the September 2025 forecast, the sales and use tax on motor vehicle purchases is slightly higher in the 2023-25 biennium than in the June forecast. Moving forward, the 2025-27 biennium is higher in the September forecast than the June forecast. In the 2025-27 biennium, collections are forecasted to be \$.2 million (.1%) higher than the June forecast.
- For the 2023-25 biennium, rental car tax collections are \$.02 million (.03%) higher than the June forecast. For the 2025-27 biennium, the September 2025 rental car forecast is \$.2 million (.15%) higher than the June 2025 forecast.
- Forecasted heavy equipment tax collections have decreased since the previous forecast due mainly to lower than forecasted actuals. For the 2023-25 biennium, heavy equipment rental tax collections are .4% lower while in the 2025-27 biennium they are forecasted to be -5.7% lower.
- HOV penalties in June 2025 are unchanged from the last forecast.
- **WSDOT Business related revenue** for the 2023-25 biennium has been revised down by \$944 thousand, or 2.9%, from the June forecast. This is due to actuals coming in. **The School Zone Fines** forecast for the current biennium is up \$21 thousand, or 4.1%, from the June forecast. These changes reflect updated actuals coming in.
- **Speed Safety Cameras Systems** - As the program becomes operational and actual trends are observed, WSDOT will update the forecast to ensure more accurate projections. In future biennia, WSDOT will incorporate additional variables to further enhance forecast accuracy. The forecast is down about \$3.5M or 72.5% in the current biennium. This decrease is due to the delay of the program starting and causing revenue collection to be pushed out.
- **WSP Business Related Revenues** for the 2025-27 biennium have been revised up by \$103,600 or .85%. The change reflects updated actuals.
- **Aviation Fuel Tax (039)** actuals were significantly higher this summer due to continuing expansion of international flights from SeaTac. The forecast for the 2025-27 biennium is increased by \$1 million (8%), while the 10-year forecast is increased by \$5.2 million (8%).
- **Driver Licensing Technology Support Account (25W)** is collected by Administrative Office of the Courts (AOC) for supporting information technology systems used by the Department of Licensing to communicate with the judicial information system, manage driving records, and implement court orders. DOL forecasts this revenue on behalf of AOC. The forecast for the 2025-27 biennium is increased by \$130K (3.5%), while the 10-year forecast is increased by \$676K (3.6%).

Total Other Transportation Related revenues in the 2023-25 biennium are currently projected at \$1.259 billion. This represents an increase of \$5.2 million, or 0.4% compared to June 2025 forecast.

## Ferry Ridership and Revenue

### Summary

Ridership for the 2025-2027 biennium is projected to be more than 40.5 million, approximately 0.2% lower than previously forecasted. Over the same period, total revenue is projected to equal \$453.2 million, comprising \$434.7 million in farebox and surcharge revenues plus \$18.6 million in miscellaneous revenues, which overall is 1.2% higher than the prior June Forecast.

Over the subsequent eight years from FY 2028 through FY 2035, ridership is projected to range between 0.3% and 0.9% lower than previously forecasted, while total farebox and miscellaneous revenues combined are projected to range from 0.4% lower to 0.5% higher than the prior forecast. These trends can be explained in large part to the fare policy and related changes adopted by the Washington State Transportation Commission (WSTC) on August 6, 2025, which:

- Increase base fares by 3.0% on October 1, 2025 and another 3.0% on May 1, 2026;
- Increase the vehicle/driver single fare peak season surcharge to 35% on all routes (previously at 25% except for the San Juan Islands), effective May 1, 2026; and
- Extend the Wave2Go multi-ride pass expiration date from 90 days to 120 days after purchase, effective May 1, 2026.

Relative to the prior forecast, the above policies collectively decrease the overall ridership forecasts while also shifting ridership from full-fare categories to lower fare, frequent-user-discounted fare categories. The higher and earlier increases in base fares and the increase in the vehicle/driver peak season surcharge offsets these ridership impacts to yield higher base fare revenues compared with the June Forecast. However, capital surcharge revenue collected on each fare sold decreases relative to June beyond FY 2026 due to the lower ridership forecasts.

Absent the fare policy changes described above, the September ridership forecasts would have ranged from 0.6% lower to 0.3% higher, compared to the June Forecast. This finding reflects a near-term slim net positive impact of the updated economic variables alongside a longer-term net negative impact, as well as slightly higher than anticipated actual ridership in the first two months of FY 2026, compared with the June forecast.

### Overview

The fare revenue and ridership projections for Washington State Ferries are prepared using (1) systemwide econometric models to estimate overall demand by fare category, (2) autoregressive-integrated-moving average time series models to allocate monthly ridership demand across the 10 routes and seven fare categories, and (3) a set of spreadsheet models to assess vessel capacity constraints on ridership and calculate revenue projections. Ridership and revenues are estimated for the following seven fare categories.

- Passenger full fares
- Passenger frequent user/commuter discounted multi-ride fares
- Passenger other discount fares (e.g., senior fare, youth fare)
- Auto / driver full fares
- Auto / driver frequent user/commuter discounted multi-ride fares
- Other vehicle / driver discounted (senior/disabled auto and all motorcycle) fares

- Oversize vehicle / driver (over 22 feet in length) fares

In May 2025, the Governor signed legislation, ESSB 5801, requiring the WSTC to:

- Increase the vessel replacement surcharge by \$0.50 from \$0.25 to \$0.75, effective October 1, 2025, with two additional \$0.10 increases on October 1, 2027 (\$0.85 total) and on October 1, 2029 (\$0.95 total), which remains paired with the unchanged \$0.25 hybrid vessel surcharge; and
- Implement a credit card recovery fee of at least three percent on all fare purchases made with a credit or debit card (assumed implementation date of March 1, 2026).

In August 2025, the WSTC adopted three additional fare policy changes intended to facilitate meeting a base fare revenue target of \$408.8 million for the 2025-2027 biennium, which are listed above in the *Summary* section.

The September 2025 forecast incorporates these fare policy changes. The increase in the base fare and the peak season surcharge are expected to dampen demand while increasing revenue. The multi-ride pass expiration extension is projected bolster overall demand slightly, while also shifting demand from the full-fare category to frequent-user-discounted-fare media, decreasing overall revenues.

The September 2025 Forecast incorporates actual ridership and revenue data through August 2025.

#### ***COVID-19 Impacts and Service Level Constraints***

Beginning in early March 2020, the COVID-19 pandemic negatively impacted ferry travel, with April 2020 ridership 73% lower than April 2019. Since then, the rebound in ridership has been somewhat variable and extended, reflecting post-pandemic travel patterns, including less frequent use by many customers, combined with reduced and uncertain service levels. This forecast takes into consideration the WSF Service Contingency Plan updated in May 2025, which reflects the return to pre-pandemic service levels in Summer 2025. Nonetheless, the ridership and revenue forecasts acknowledge that vessel and/or crew shortages may impact service reliability, with stable, full-service restoration awaiting the arrival of new ferries starting in mid-2030 (FY 2031). As in the June Forecast, the September 2025 Forecast includes the following assumptions regarding service levels:

- The Fauntleroy-Vashon-Southworth triangle route is assumed to operate the majority of the time with three vessels starting in July 2025 (FY 2026).
- A second boat on the Seattle-Bremerton route is assumed to operate a majority of the time beginning in July 2025 (FY 2026).
- On the Port Townsend-Coupeville route, resumption of the second vessel normally added for the late Spring and Summer seasons is assumed to operate the majority of the peak season, beginning in July 2025 (FY 2026). For Summer 2025, the second boat ran Friday through Monday only, with a full return to everyday operations assumed when the second boat returns again in late Spring 2026.
- The Point Defiance-Tahlequah, Anacortes-San Juan Island, Seattle-Bainbridge, Mukilteo-Clinton, and Edmonds-Kingston routes will continue to operate the majority of the time with the normal number of vessels.
- In the event that service reductions are required due to insufficient vessel or crew availability, WSF will first reduce third-vessel service on the Fauntleroy-Vashon-Southworth route and second-vessel service on the Seattle-Bremerton and Port Townsend-Coupeville (shoulder/Summer only) routes. The forecast accounts for this by assuming slightly lower reliability factors on these routes.
- Resumption of service on the Anacortes-Sidney, B.C. international route is assumed to be delayed until Summer

2030 (FY 2031) at the earliest, which will also add limited capacity to summer service in the San Juan Islands as a fifth vessel. Anacortes-Sidney, B.C. ridership demand is then expected to ramp up over a three-year period.

### ***Ridership***

Total FY 2025 ridership averaged 2.8% higher than in FY 2024, placing it at about 80% of pre-pandemic levels. Actual June 2025 ridership was slightly below forecast, resulting in overall FY 2025 ridership recorded at 0.1% below the June Forecast.

In the first two months of FY 2026, actual monthly ridership averaged 8.8% higher than the two same months in the prior fiscal year, with passenger fares 9.8% higher and vehicle/driver fares 7.4% higher. Overall ridership was 1.4% above the June Forecast values, with passenger fares 1.2% higher than forecast and vehicle fares 1.8% higher than forecast. Concurrent with the return to pre-pandemic service levels on all domestic routes in July 2025, total ridership in the first two months of FY 2026 is the highest it has been since the pandemic, reaching 84.2% of July and August 2018 (FY 2019) ridership levels.

For FY 2026 overall, inclusive of two months of actual data, ridership is projected to be virtually unchanged from the prior June forecast, while ridership for the full 2025-2027 biennium is projected to be 0.2% lower. Lower ridership for the biennium is attributed in large part to the demand suppression effects of the higher vehicle/driver single fare peak season surcharge and the higher base fare increase than was assumed in June (3.0% on October 1, 2025 and May 1, 2026 instead of 2.5% in October 1, 2025 and 2026). These changes impact FY 2027 more significantly than FY 2026, offsetting the boost to the ridership forecast from strong recent performance.

Over the rest of the forecast horizon (FYs 2028-35), the September ridership projections range from 0.3% to 0.9% lower than the June Forecast.

Absent the effects of the additional peak season surcharge, base fare increase, and multi-ride pass expiration extension, the September 2025 ridership projections for the 2025-27 biennium would have been approximately 0.2% higher compared to June.

### ***Revenues***

Total reported base fare and surcharge revenues for FY 2025 were 6.6% higher than in FY 2024, reflecting virtually no change from the June Forecast. FY 2025 revenues comprise approximately 97.5% of the pre-pandemic fare revenue levels, a share that exceeds the corresponding pre-pandemic ridership share of 80% due to a series of base fare and capital surcharge increases since the start of the pandemic, along with stronger growth in higher-fare vehicle traffic.

Actual revenue performance for the first two months of FY 2026 (July and August) exceeded the June Forecast value by 2.5%, with base fare revenues coming in 2.5% higher and capital surcharge revenues coming in 0.1% higher than projected in June.

In the current 2025-27 biennium, base fare and capital surcharge revenues are projected to be 1.1% higher, while miscellaneous revenues are forecast to be 3.8% higher, than in the prior June Forecast. Total 2025-27 biennium fare and miscellaneous revenues are expected to be \$453.2 million, 1.2% higher than the June Forecast of \$448.0 million. Of this amount, base fare revenues represent \$411.2 million, capital surcharge revenues represent \$23.6 million, and miscellaneous revenues add \$18.6 million.

Subsequent biennia fare and surcharge revenue projections are expected to range from 0.5% lower to 0.3% higher relative to the June forecast. Miscellaneous revenues for the subsequent biennia are expected to range from 2.8% to 3.6% higher. Overall farebox and miscellaneous revenues over the remainder of the forecast horizon through FY 2035 average about 0.1% higher than the prior projections.

Over the 10 years from FY 2026 through FY 2035, farebox and miscellaneous revenues (inclusive of credit card recovery fees) are projected to total \$2.44 billion, about 0.3% above the prior forecast.

### ***Impact of Youth-Fare Elimination***

The elimination of youth fares starting October 1, 2022 remains included in the current September Forecast and amounts to a reduction in fare and surcharge revenues of more than \$4.5 million for FY 2026, and between \$4.7 million and \$5.7 million in subsequent fiscal years.

### ***Forecast Change Primary Drivers***

The primary reasons for the changes in the September 2025 Forecast are:

- Base fare and vehicle/driver single fare peak season surcharge increases collectively dampen ridership demand and capital surcharge revenues per fare sold while causing a more than offsetting increase in base fare revenues such that total fare and capital surcharge revenues increase.
- The extension of the multi-ride useful life to 120 days shifts ridership from full-fare to frequent-user-discounted-fare categories, slightly incentivizing more travel demand but decreasing base fare revenues.
- Actual ridership levels for June through August 2025 were, on average, slightly higher than previously forecast, bringing up the trajectory for the September Forecast, absent other demand impacts.
- Lower real gasoline price projections through FY 2027, higher real person income starting in FY 2031, and slightly higher inflation projections throughout the forecast horizon — the latter which result in lower real fares notwithstanding the fare policy changes — collectively bolster ferry ridership demand.
- Meanwhile, higher gasoline price projections in FY 2028 and beyond, lower projections for employment, and lower real personal income projections through FY 2030 dampen demand.
- Miscellaneous revenues have been revised higher throughout the forecast horizon, primarily due to updated vendor projections reflecting higher customer traffic and increased prices.

### ***Forecast Disclaimer***

Since the COVID-19 pandemic, material changes to the previous normal ferry ridership patterns continue to persist and slowly evolve toward a “new normal”. Total passenger fares, while showing recent improvement, continue to lag further behind pre-pandemic levels than do vehicle/driver fares. While service improvements continue, WSF continues to experience a lower level of service reductions and reduce service reliability when compared with pre-pandemic levels a result of fleet constraints and staffing issues. The duration and magnitude of these combined effects and how they will continue to impact ferry ridership demand, while becoming more apparent with contingency planning, retain some degree of uncertainty. As such, the September 2025 Forecast projections, as well as the assumptions upon which they are based at the time of preparation, remain subject to change with an above average level of risk and uncertainty, which may cause actual results to vary from projections.

## **Toll Revenue**

### **September 2025 Forecast Update Overview**

The traffic and potential toll revenue forecasts for all five toll facilities for the September 2025 Forecast are provided by independent traffic and revenue consultant, Stantec. The adjusted toll revenue forecasts for the SR 520 Bridge, I-405 Express Toll Lanes (ETLs), and SR 99 Tunnel are prepared by WSP USA Inc., in close coordination with the WSDOT Toll Division and its consultants.

Of note for each of the five toll facilities' September 2025 Forecast updates:

- Two toll facilities (I-405 ETLs and the SR 167 HOT Lanes) are a no-change forecast from the June 2025 Forecast for traffic and revenues.
- Three toll facilities (Tacoma Narrows Bridge {TNB}, SR 520 Bridge, and the SR 99 Tunnel) have minor forecast updates throughout their forecast periods based on the most recent actual data through FY 2025 (preliminary results).

The forecasting methodology for the September 2025 Forecast update is similar to the ones applied in previous forecasts:

- Each toll facility assumes a different forecast pattern and has been analyzed on its own, with the usage of recent actual data (as applicable), average toll rates, toll payment types, and total revenues by month used as the key inputs.
- The forecasts for FY 2026 and FY 2027 have been made on a month-by-month basis.
- The forecast assumes that Pay By Mail customers would continue to pay \$2 above the Good To Go! toll rates for 2-axle vehicles. A similar rate differential for trucks based on the number of axles is also assumed.

Specific Adjusted Toll Revenue Assumptions:

- Adjustments to potential gross toll revenue forecasts include the \$0.25 per transaction fee revenue for Good To Go! account-based Pay By Plate transactions, leakage allowances for toll revenue not recognized (unbillable), unpaid toll bills, and toll revenue recovered through Civil Penalty adjudication for customers using the Customer Program for Resolution (CPR) at the Good To Go! toll rate.
- An adjustment is made for CPR toll revenue, which is recorded at the Good To Go! toll rate in the reported values. In addition to toll revenue captured through CPR at the Good To Go! toll rate instead of the Pay By Mail toll rate, there is toll revenue collected associated to toll revenue recovered at the Pay By Mail toll rate included in the revenue category for civil penalties and recovered toll revenue.
- Adjustments for uncollectible revenue and rates of toll bill recovery in the civil penalty process have been revised based on now available reports on payment disposition through June 2025. The data indicates similar rates of unreadable license plates and unidentified owners, however, lower collection rates on first and second toll bills, and lower payment of toll bills in Notice Of Civil Penalty (NOCP) at the Pay By Mail rate. A larger share of NOCP transactions are currently resolved through the CPR program at the Pay By Plate account rate without collecting late payment fees and civil penalty fees.
- Transponder revenue forecasts are estimated based on a systemwide approach. Transponder revenue for all facilities except for both I-405 and SR 167 ETLs, is adjusted to reflect changes in transactions projections and resulting facilities allocations.
- Miscellaneous revenue attributed to interest earnings for TNB, SR 520 and SR 99 have been updated to reflect the updated underlying traffic and revenue forecast and adjustments.

### **Recent Actuals: two months (May through June 2025) in comparison to June 2025 TRFC Forecast**

May 2025 is the first month to be compared to June 2025 TERFC Forecast for all facilities combined.

The I-405 and SR 167 ETLs T&R forecasts were updated in June and are no change in September 2025. TNB, SR 520, and SR 99 T&R forecasts are updated for September 2025.

All facilities combined two-month Toll Traffic is above the June 2025 Forecast by 4.0%, Toll Revenue is above two-month forecast by 1.7%, or \$0.7 million. As a note, some I-405 and SR 167 ETLs June related Toll Revenues were processed in July, as a result, monthly toll revenue for both facilities is below monthly forecast by 9.4% and 1.5% respectively, (Figure 11).

Toll Facility	Toll Transactions				Adjusted Toll Revenue			
		May-25	Jun-25	May thru June 2025		May-25	Jun-25	May thru June 2025
TNB	Forecasted Transactions	1.42	1.43	2.85	Forecasted Toll Revenue	\$6.68	\$6.70	\$13.37
	<b>Reported Transactions</b>	<b>1.45</b>	<b>1.45</b>	<b>2.89</b>	<b>Reported Toll Revenue</b>	<b>\$6.84</b>	<b>\$6.84</b>	<b>\$13.68</b>
	Variance From Forecast	0.03	0.02	0.05	Variance From Forecast	\$0.16	\$0.15	\$0.31
	Variance - % Change	1.9%	1.5%	1.7%	Variance - % Change	2.4%	2.2%	2.3%
SR 520	Forecasted Transactions	1.98	1.99	3.97	Forecasted Toll Revenue	\$8.04	\$8.04	\$16.08
	<b>Reported Transactions</b>	<b>2.09</b>	<b>2.09</b>	<b>4.18</b>	<b>Reported Toll Revenue</b>	<b>\$8.33</b>	<b>\$8.13</b>	<b>\$16.46</b>
	Variance From Forecast	0.11	0.10	0.21	Variance From Forecast	\$0.29	\$0.09	\$0.38
	Variance - % Change	5.5%	5.2%	5.3%	Variance - % Change	3.6%	1.1%	2.4%
I-405	Forecasted Transactions	0.85	0.83	1.68	Forecasted Toll Revenue	\$2.96	\$4.74	\$7.70
	<b>Reported Transactions</b>	<b>0.87</b>	<b>0.91</b>	<b>1.78</b>	<b>Reported Toll Revenue</b>	<b>\$3.18</b>	<b>\$4.30</b>	<b>\$7.48</b>
	Variance From Forecast	0.02	0.08	0.10	Variance From Forecast	\$0.22	-\$0.44	-\$0.22
	Variance - % Change	2.5%	9.8%	6.1%	Variance - % Change	7.6%	-9.4%	-2.8%
SR 167	Forecasted Transactions	0.15	0.15	0.30	Forecasted Toll Revenue	\$0.63	\$0.70	\$1.33
	<b>Reported Transactions</b>	<b>0.16</b>	<b>0.16</b>	<b>0.32</b>	<b>Reported Toll Revenue</b>	<b>\$0.66</b>	<b>\$0.69</b>	<b>\$1.35</b>
	Variance From Forecast	0.01	0.01	0.02	Variance From Forecast	\$0.03	-\$0.01	\$0.02
	Variance - % Change	3.8%	6.3%	5.1%	Variance - % Change	5.0%	-1.5%	1.6%
SR 99	Forecasted Transactions	1.55	1.64	3.19	Forecasted Toll Revenue	\$2.94	\$3.03	\$5.97
	<b>Reported Transactions</b>	<b>1.62</b>	<b>1.68</b>	<b>3.30</b>	<b>Reported Toll Revenue</b>	<b>\$3.06</b>	<b>\$3.16</b>	<b>\$6.21</b>
	Variance From Forecast	0.07	0.04	0.11	Variance From Forecast	\$0.12	\$0.12	\$0.25
	Variance - % Change	4.5%	2.2%	3.3%	Variance - % Change	4.1%	4.1%	4.1%
Total	<b>Forecasted Transactions</b>	<b>5.96</b>	<b>6.03</b>	<b>12.00</b>	<b>Forecasted Toll Revenue</b>	<b>\$21.24</b>	<b>\$23.21</b>	<b>\$44.45</b>
	<b>Reported Transactions</b>	<b>6.19</b>	<b>6.28</b>	<b>12.48</b>	<b>Reported Toll Revenue</b>	<b>\$22.07</b>	<b>\$23.12</b>	<b>\$45.19</b>
	<b>Variance From Forecast</b>	<b>0.23</b>	<b>0.25</b>	<b>0.48</b>	<b>Variance From Forecast</b>	<b>\$0.83</b>	<b>-\$0.09</b>	<b>\$0.74</b>
	<b>Variance - % Change</b>	<b>3.9%</b>	<b>4.1%</b>	<b>4.0%</b>	<b>Variance - % Change</b>	<b>3.9%</b>	<b>-0.4%</b>	<b>1.7%</b>

**Notes:**

\*June 2025 Toll Transactions and Toll Revenues are based on preliminary information.

Figure 11: Two-month (May through June 2025) - Toll Transactions and Revenue Performance vs June 2025 Forecast (millions)

### Summary of September 2025 Forecast Results

Figure 12 provides summary comparison between September 2025 Forecast and June 2025 Forecast results.

Some highlights include:

Fiscal Year 2025 Total Toll Revenue and Fees of \$262.7 million is \$17.9 million, or (7.3 percent) above June 2025 Forecast estimate.

- The 2025-27 Biennium (FY2026 and FY2027) Total Toll Revenue and Fees combined of \$561.7 million are above the June 2025 Forecast by \$6.4 million (or 1.2 percent).
- Ten-year (2024-2033) Toll Revenue and Fees of \$3,018 million are \$28.5 million (or 1 percent) increase to the June 2025 Forecast.

	Toll Facility	FY 2024	FY 2025	2023-25 Biennium	2025-27 Biennium	2027-29 Biennium	2029-31 Biennium	2031-33 Biennium	2024-33 Ten-Year
September 2025 TERFC	<b>TNB</b>								
	Adjusted Gross Toll Revenue	\$75.44	\$76.53	\$151.97	\$154.50	\$157.53	\$160.69	\$163.92	\$788.61
	Other Revenue	\$10.77	\$5.55	\$16.33	\$9.97	\$9.37	\$9.29	\$9.33	\$54.29
	Total TNB Revenue & Fees	\$86.21	\$82.08	\$168.29	\$164.47	\$166.90	\$169.98	\$173.26	\$842.90
	<b>SR 520</b>								
	Adjusted Gross Toll Revenue	\$72.19	\$86.01	\$158.20	\$187.89	\$196.81	\$207.48	\$234.55	\$984.93
	Other Revenue	\$18.48	\$11.25	\$29.72	\$21.06	\$18.38	\$20.13	\$22.66	\$111.95
	Total SR 520 Revenue & Fees	\$90.67	\$97.26	\$187.93	\$208.95	\$215.19	\$227.61	\$257.22	\$1096.89
	<b>I-405 ETLs</b>								
	Adjusted Gross Toll Revenue	\$24.75	\$33.07	\$57.82	\$79.80	\$98.83	\$105.76	\$108.38	\$450.59
	Other Revenue	\$20.59	\$3.06	\$23.65	\$5.92	\$7.30	\$8.30	\$8.55	\$53.72
	Total I-405 ETLs Revenue & Fees	\$45.34	\$36.13	\$81.47	\$85.72	\$106.13	\$114.06	\$116.94	\$504.31
	<b>SR 167 ETLs</b>								
	Adjusted Gross Toll Revenue	\$5.67	\$6.92	\$12.59	\$20.03	\$29.42	\$31.17	\$33.20	\$126.41
	Other Revenue	\$0.27	\$0.28	\$0.56	\$0.67	\$0.83	\$0.84	\$0.89	\$3.78
	Total SR 167 ETLs Revenue & Fees	\$5.94	\$7.20	\$13.14	\$20.70	\$30.25	\$32.00	\$34.09	\$130.19
	<b>SR 99</b>								
	Adjusted Gross Toll Revenue	\$31.38	\$33.08	\$64.46	\$69.56	\$71.43	\$73.36	\$75.93	\$354.74
	Other Revenue	\$31.70	\$6.97	\$38.67	\$12.32	\$12.52	\$12.68	\$12.80	\$88.99
	Total SR 99 Revenue & Fees	\$63.08	\$40.05	\$103.13	\$81.87	\$83.95	\$86.05	\$88.72	\$443.72
	<b>All Toll Facilities</b>								
	Adjusted Gross Toll Revenue	\$209.43	\$235.61	\$445.04	\$511.78	\$554.01	\$578.46	\$615.98	\$2705.27
	Other Revenue	\$81.81	\$27.11	\$108.93	\$49.93	\$48.40	\$51.24	\$54.24	\$312.74
	Total Revenue & Fees	\$291.25	\$262.72	\$553.96	\$561.71	\$602.41	\$629.71	\$670.22	\$3018.01
June 2025 TERFC	<b>TNB</b>								
	Adjusted Gross Toll Revenue	\$75.44	\$76.25	\$151.69	\$154.98	\$158.04	\$161.21	\$164.45	\$790.36
	Other Revenue	\$10.77	\$1.40	\$12.17	\$7.68	\$7.76	\$7.63	\$5.21	\$40.45
	Total TNB Revenue & Fees	\$86.21	\$77.65	\$163.86	\$162.66	\$165.79	\$168.84	\$169.66	\$830.81
	<b>SR 520</b>								
	Adjusted Gross Toll Revenue	\$72.19	\$84.14	\$156.33	\$183.75	\$196.55	\$208.08	\$239.06	\$983.76
	Other Revenue	\$18.48	\$5.01	\$23.48	\$20.48	\$17.07	\$18.51	\$20.76	\$100.30
	Total SR 520 Revenue & Fees	\$90.67	\$89.15	\$179.81	\$204.23	\$213.62	\$226.58	\$259.82	\$1084.07
	<b>I-405 ETLs</b>								
	Adjusted Gross Toll Revenue	\$24.75	\$33.07	\$57.82	\$79.80	\$98.83	\$105.76	\$108.38	\$450.59
	Other Revenue	\$20.59	\$3.06	\$23.65	\$5.92	\$7.30	\$8.30	\$8.55	\$53.72
	Total I-405 ETLs Revenue & Fees	\$45.34	\$36.13	\$81.47	\$85.72	\$106.13	\$114.06	\$116.94	\$504.31
	<b>SR 167 ETLs</b>								
	Adjusted Gross Toll Revenue	\$5.67	\$6.92	\$12.59	\$20.03	\$29.42	\$31.17	\$33.20	\$126.41
	Other Revenue	\$0.27	\$0.28	\$0.56	\$0.67	\$0.83	\$0.84	\$0.89	\$3.78
	Total SR 167 ETLs Revenue & Fees	\$5.94	\$7.20	\$13.14	\$20.70	\$30.25	\$32.00	\$34.09	\$130.19
	<b>SR 99</b>								
	Adjusted Gross Toll Revenue	\$31.38	\$33.60	\$64.98	\$70.09	\$72.33	\$74.43	\$76.95	\$358.78
	Other Revenue	\$31.70	\$1.06	\$32.76	\$11.87	\$12.06	\$12.24	\$12.39	\$81.31
	Total SR 99 Revenue & Fees	\$63.08	\$34.66	\$97.74	\$81.96	\$84.39	\$86.67	\$89.34	\$440.09
	<b>All Toll Facilities</b>								
	Adjusted Gross Toll Revenue	\$209.43	\$233.98	\$443.41	\$508.64	\$555.16	\$580.64	\$622.05	\$2709.90
	Other Revenue	\$81.81	\$10.80	\$92.62	\$46.62	\$45.02	\$47.53	\$47.79	\$279.56
	Total Revenue & Fees	\$291.25	\$244.79	\$536.03	\$555.26	\$600.17	\$628.15	\$669.84	\$2989.46
Changes from June 2025 TERFC	<b>TNB</b>								
	Adjusted Gross Toll Revenue	\$0.00	\$0.28	\$0.28	-\$0.47	-\$0.51	-\$0.52	-\$0.53	-\$1.75
	Other Revenue	\$0.00	\$4.15	\$4.15	\$2.29	\$1.62	\$1.66	\$4.13	\$13.85
	Total TNB Revenue & Fees	\$0.00	\$4.43	\$4.43	\$1.81	\$1.11	\$1.14	\$3.60	\$12.09
	Total % Change	0.0%	5.7%	2.7%	1.1%	0.7%	0.7%	2.1%	1.5%
	<b>SR 520</b>								
	Adjusted Gross Toll Revenue	\$0.00	\$1.87	\$1.87	\$4.14	\$2.25	-\$0.60	-\$4.51	\$1.17
	Other Revenue	\$0.00	\$6.24	\$6.24	\$5.57	\$1.31	\$1.62	\$1.91	\$11.65
	Total SR 520 Revenue & Fees	\$0.00	\$8.11	\$8.11	\$4.72	\$1.56	\$1.03	-\$2.60	\$12.82
	Total % Change	0.0%	9.1%	4.5%	2.3%	0.7%	0.5%	-1.0%	1.2%
	<b>I-405 ETLs</b>								
	Adjusted Gross Toll Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total I-405 ETLs Revenue & Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>SR 167 ETLs</b>								
	Adjusted Gross Toll Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Other Revenue	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total SR 167 ETLs Revenue & Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total % Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>SR 99</b>								
	Adjusted Gross Toll Revenue	\$0.00	-\$0.53	-\$0.53	-\$0.53	-\$0.89	-\$1.06	-\$1.03	-\$4.04
	Other Revenue	\$0.00	\$5.92	\$5.92	\$4.45	\$4.46	\$4.44	\$4.41	\$7.68
	Total SR 99 Revenue & Fees	\$0.00	\$5.39	\$5.39	-\$0.08	-\$0.44	-\$0.62	-\$0.62	\$3.64
	Total % Change	0.0%	15.6%	5.5%	-0.1%	-0.5%	-0.7%	-0.7%	0.8%
	<b>All Toll Facilities</b>								
	Adjusted Gross Toll Revenue	\$0.00	\$1.62	\$1.62	\$3.14	-\$1.15	-\$2.18	-\$6.07	-\$4.63
	Adjusted Gross Toll Revenue % Change	0.0%	0.7%	0.4%	0.6%	-0.2%	-0.4%	-1.0%	-0.2%
	Other Revenue	\$0.00	\$16.31	\$16.31	\$3.31	\$3.38	\$3.73	\$6.45	\$33.18
	Total Revenue & Fees	\$0.00	\$17.93	\$17.93	\$6.45	\$2.23	\$1.55	\$3.38	\$28.55
	Total % Change	0.0%	7.3%	3.3%	1.2%	0.4%	0.2%	0.1%	1.0%

Figure 12: Revenue Comparison – September 2025 Forecast vs. June 2025 Forecast (\$ millions)

Tacoma Narrows Bridge (TNB)  
Recent Traffic and Revenue Performance, with Comparison to the June 2025 Forecast

Figure 13 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the June 2025 Forecast for the two months of May 2025 and June 2025. For this two-month comparison, the actual toll transactions were above the forecast by 1.7 percent (or 48,000), and the actual reported revenues were above the June 2025 Forecast by 2.3 percent (or \$0.3 million).

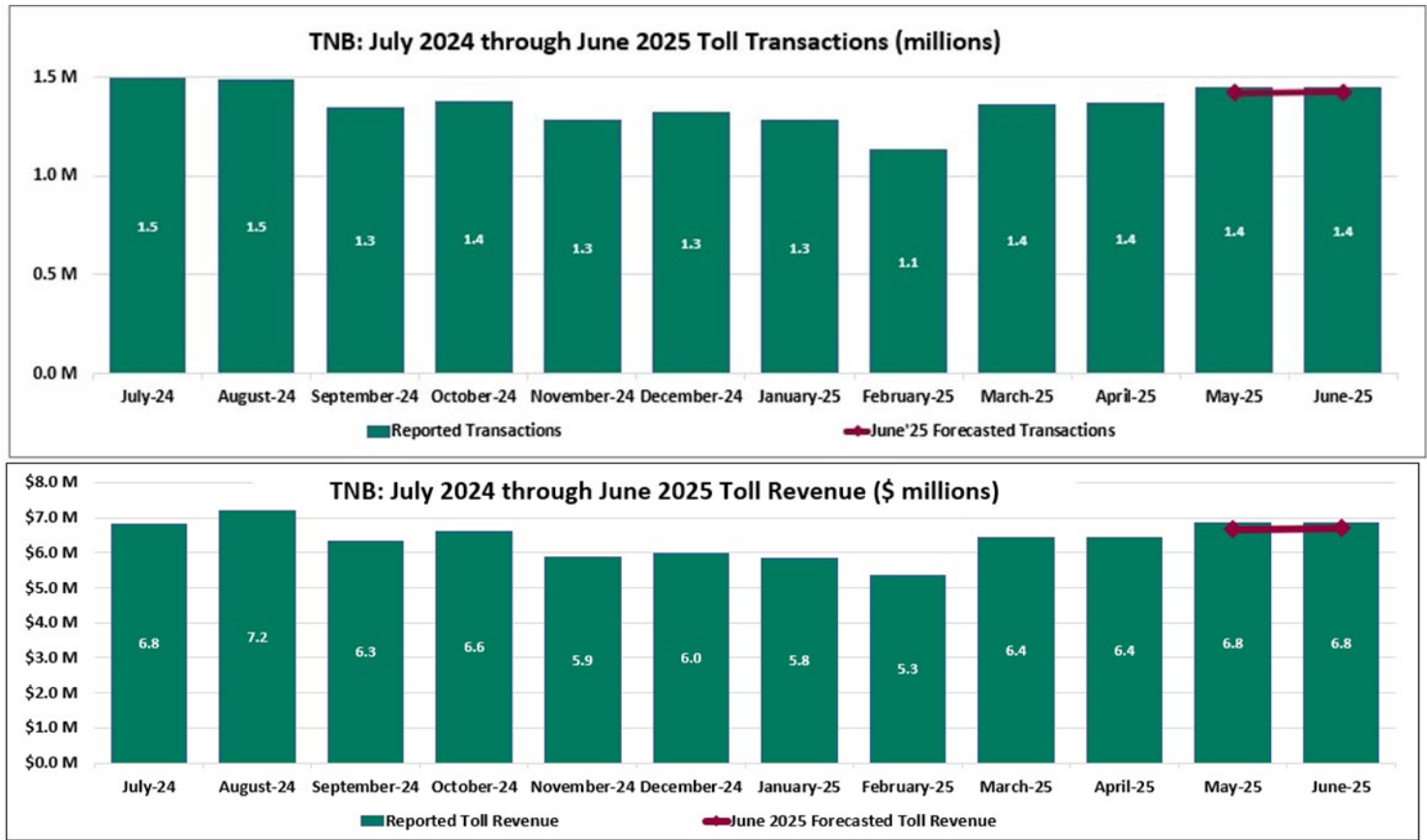


Figure 13: TNB 12-month Reported Toll Transactions and Revenues, with Comparison to June 2025 Forecasts  
*Note: June 2025 Toll Transactions and Toll Revenues are based on preliminary information.*

Updates to Tacoma Narrows Bridge Toll Traffic and Revenue Forecasts

This September 2025 Forecast has been updated throughout its forecast period based on the most recent actual data through FY 2025 (preliminary results).

Other revenue and fees, which includes forecasts for civil penalty fees and recovered toll revenue, increased by 34% over 10-year forecast horizon from FY2024-33 in comparison with the prior June TERFC values. The increase is attributed to the increase in overall license plate transactions which results in an increase in toll bills that are end up in civil penalty. Data recently made available provides higher rates of payment resulting in both higher civil penalty fee collection and recovered toll revenue in the civil penalty process.

- Fiscal Year 2025 Total Toll Revenue and Fees combined of \$82.1 million are above the June 2025 Forecast by \$4.4 million (or 5.7 percent).
- The 2025-27 Biennium (FY2026 and FY2027) Total Toll Revenue and Fees combined of \$164.5 million are above the June 2025 Forecast by \$1.8 million (or 1.1 percent).

- Ten-year (2024-2033) Toll Revenue and Fees of \$842.9 million are \$12.1 million (or 1.5 percent) increase to the June 2025 Forecast.

## SR 520 Toll Bridge

### Recent Traffic and Revenue Performance, with Comparison to the June 2025 Forecast

Figure 14 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the June 2025 Forecast for the two months of May 2025 and June 2025. For this two-month comparison, the actual toll transactions were above the forecast by 5.3 percent (or 0.2 million), and the actual reported revenues were above the June 2025 Forecast by 2.4 percent (or \$0.4 million).

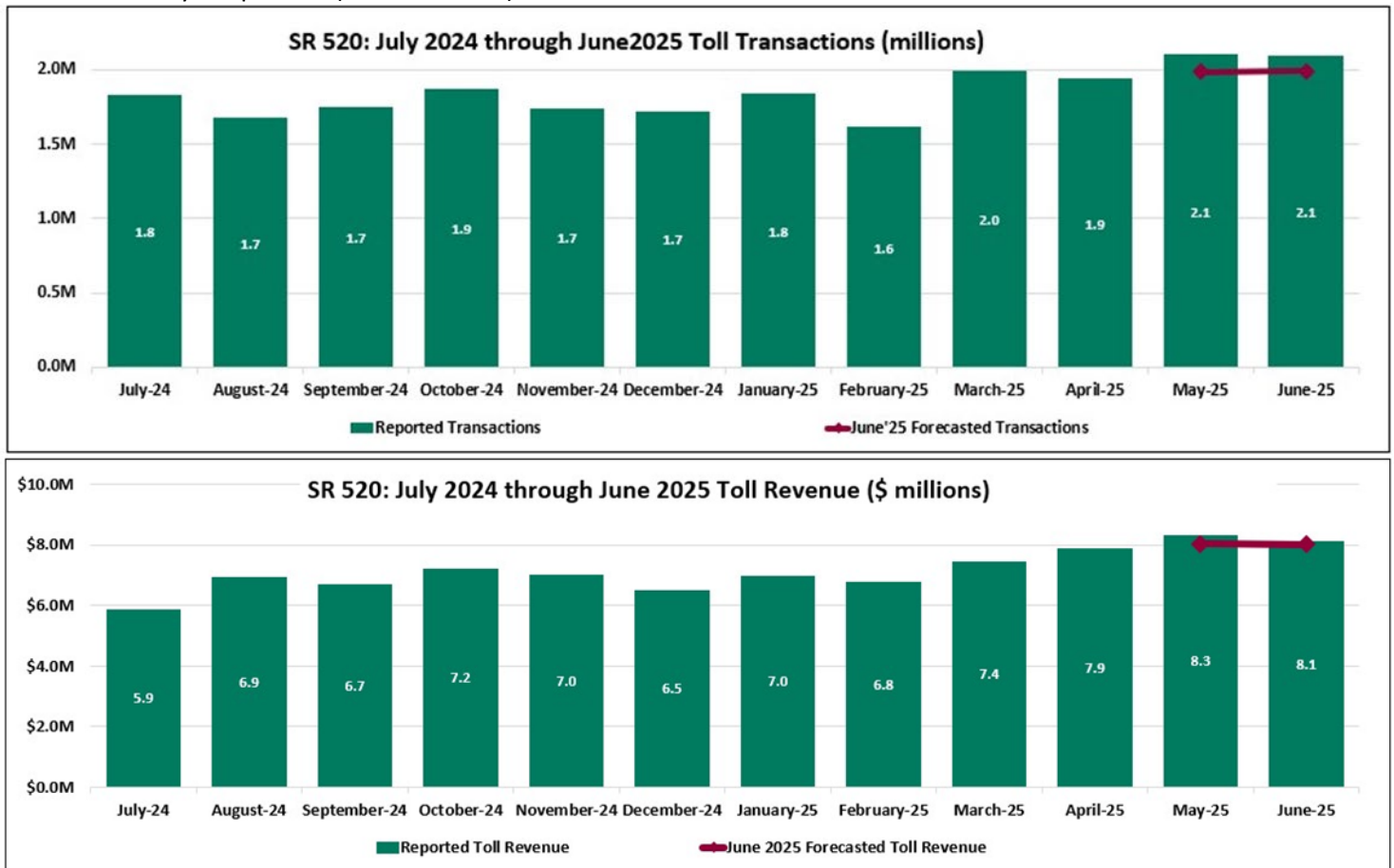


Figure 14: SR 520 12-month Reported Toll Transactions and Revenues, with Comparison to June 2025 Forecasts.

**Note:** June 2025 Toll Transactions and Toll Revenues are based on preliminary information.

### Updates to SR 520 Toll Bridge Toll Traffic and Revenue Forecasts

This September 2025 Forecast has been updated throughout its forecast period based on the most recent actual data through FY 2025 (preliminary results).

Other revenue and fees, which includes forecasts for civil penalty fees and recovered toll revenue, increased by 12% over 10-year forecast horizon from FY2024-33 in comparison with the prior June TERFC values. The increase is attributed to the increase in overall license plate transactions which results in an increase in toll bills that are end up in civil penalty. Data recently made available provides higher rates of payment resulting in both higher civil penalty fee collection and recovered toll revenue in the civil penalty process.

- Fiscal Year 2025 Total Toll Revenue and Fees combined of \$97.3 million are above the June 2025 Forecast by \$8.1 million (or 9.1 percent).
- The 2025-27 Biennium (FY2026 and FY2027) Total Toll Revenue and Fees combined of \$208.9 million are above the June 2025 Forecast by \$4.7 million (or 2.3 percent).
- Ten-year (2024-2033) Toll Revenue and Fees of \$1,096.9 million are \$12.8 million (or 1 percent) increase to the June 2025 Forecast.

I-405 Express Toll Lanes (ETLs)

Recent Traffic and Revenue Performance, with Comparison to the June 2025 Forecast

Figure 15 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the June 2025 Forecast for the two months of May 2025 and June 2025. For this two-month comparison, the actual toll transactions were above the forecast by 6.1 percent (or 0.1 million). Some June related Toll Revenues were processed in July, as a result the actual reported revenues were below the June 2025 Forecast by -2.8 percent (or -\$0.2 million).

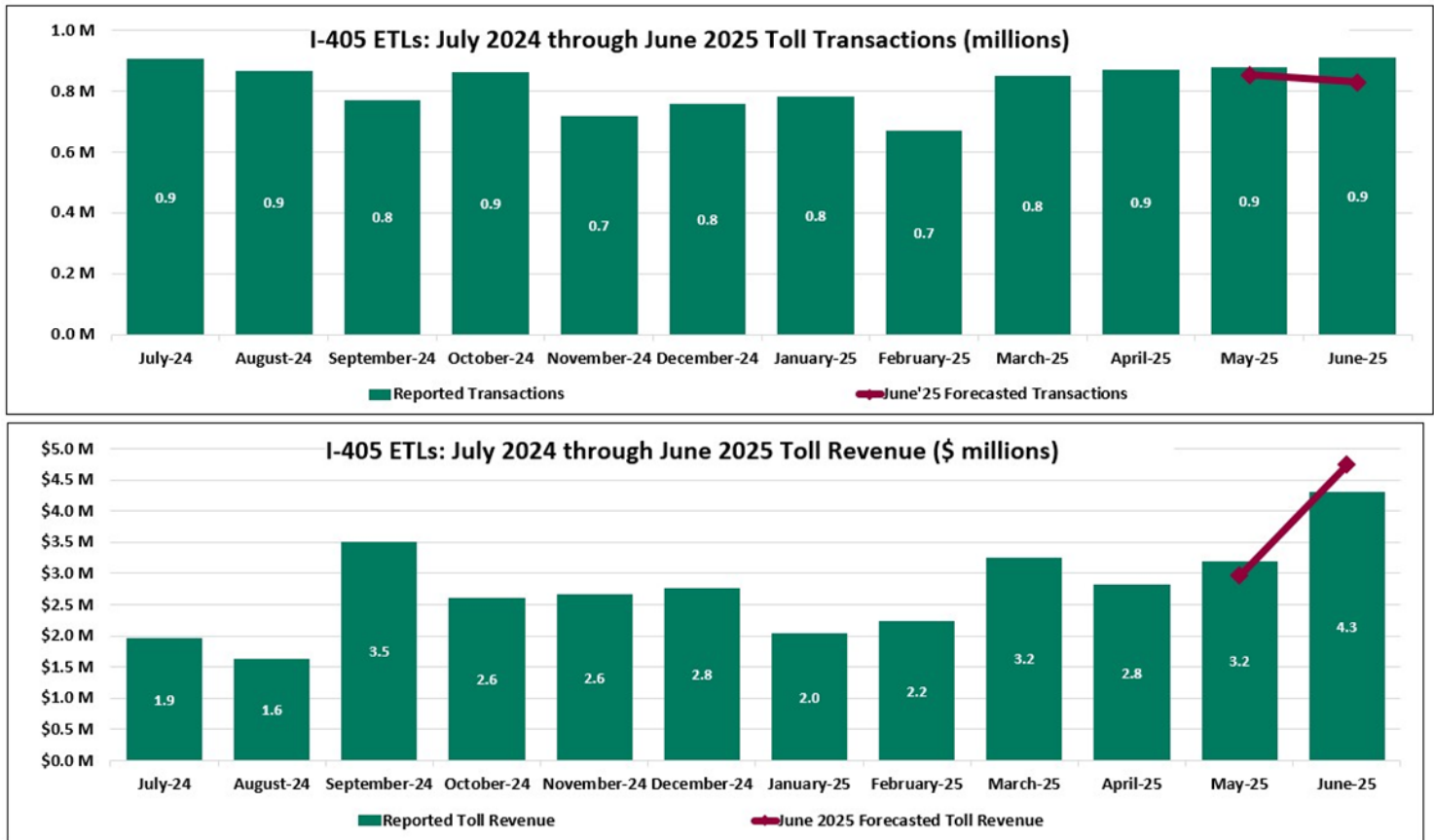


Figure 15: I-405 ETLs 12-month Reported Toll Transactions and Revenues, with Comparison to June 2025 Forecasts

Updates to I-405 Express Toll Lanes (ETLs) Toll Traffic and Revenue Forecasts

This September Forecast is a no-change forecast from the June 2025 Forecast for traffic and revenues.

Ten-year period (FY 2024 to FY 2033) total revenue and fees of \$504.3 million are aligned with the prior June 2025 forecast.

SR 167 Express Toll Lanes (ETLs)

Recent Traffic and Revenue Performance, with Comparison to the June 2025 Forecast

Figure 16 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the June 2025 Forecast for the two months of May 2025 and June 2025. For this two-month comparison, the actual toll transactions were above the forecast by 5.1 percent (or 15,000). Some June related Toll Revenues were processed in July, as a result the actual reported revenues were above the June 2025 Forecast by 1.6 percent (or \$21,000).

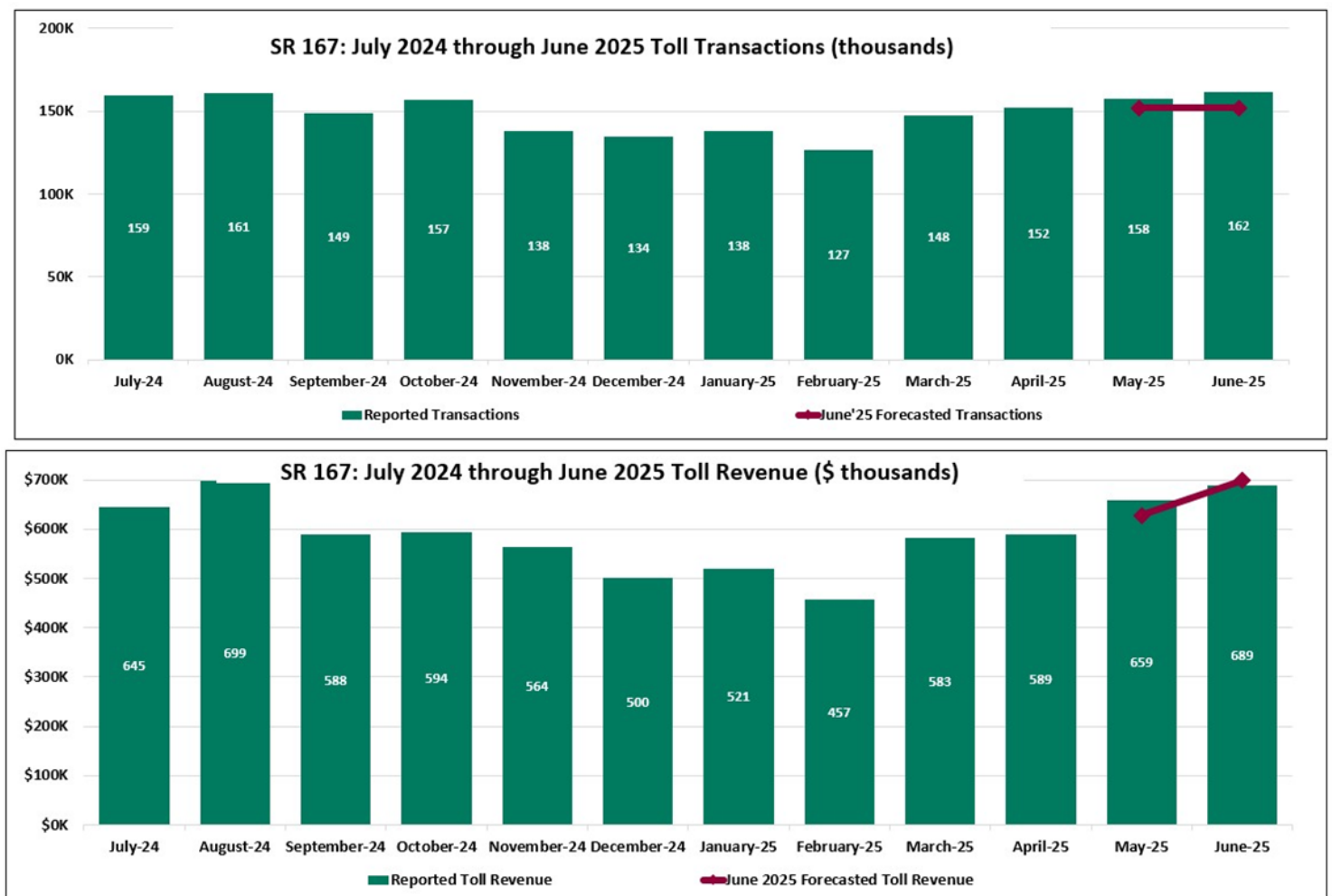


Figure 16 SR 167 ETLs 12-month Reported Toll Transactions and Revenues, with Comparison to June 2025  
**Note:** June 2025 Toll Transactions and Toll Revenues are based on preliminary information.

**Updates to SR 167 Express Toll Lanes (ETLs) Toll Traffic and Revenue Forecasts**

This September Forecast is a no-change forecast from the June 2025 Forecast for traffic and revenues.

**SR 99 Tunnel**

**Recent Traffic and Revenue Performance, with Comparison to the June 2025 Forecast**

Figure 17 provides 12-month Toll Transactions and Reported Toll Revenue actual performance, with a comparison to the June 2025 Forecast for the two months of May 2025 and June 2025. For this two-month comparison, the actual toll transactions were above the forecast by 3.3 percent (or 0.1 million), and the actual reported revenues were above the June 2025 Forecast by 4.1 percent (or \$0.2 million).

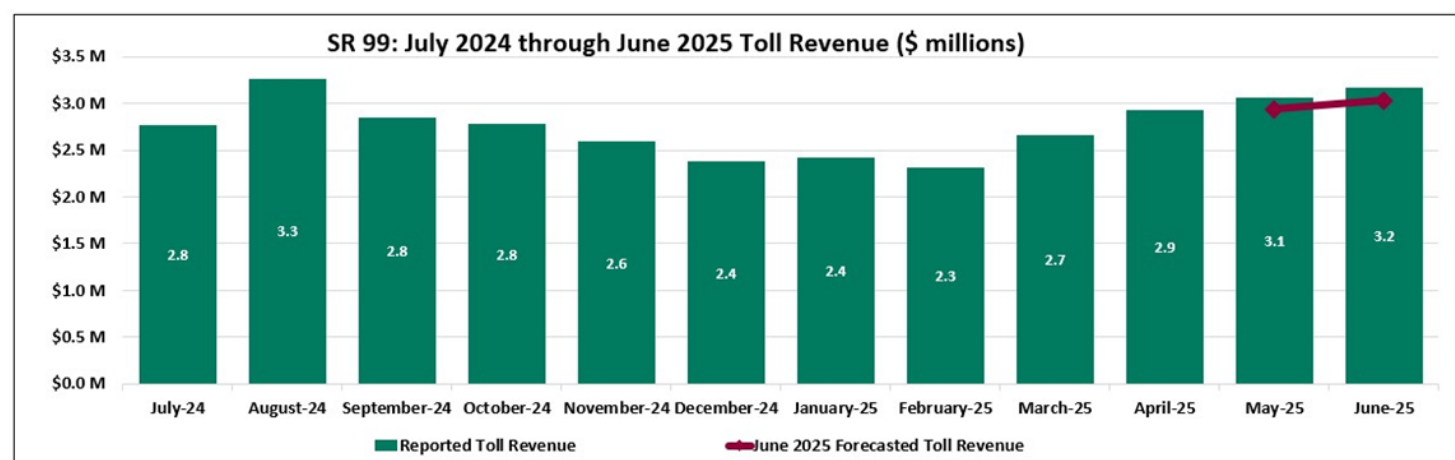
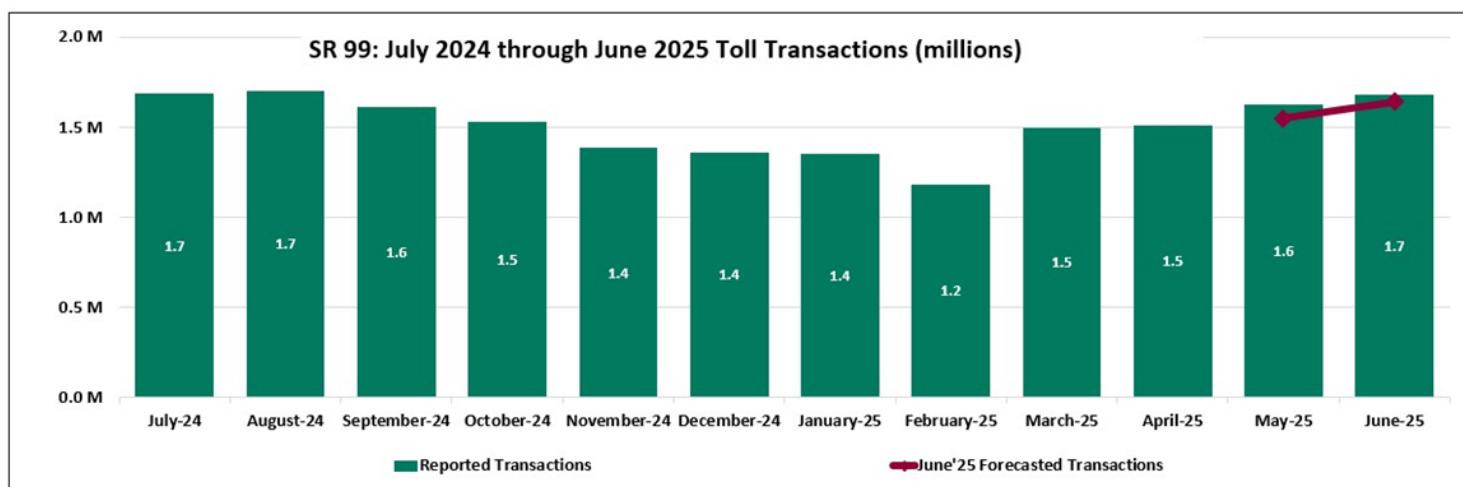


Figure 17: SR 99 12-month Reported Toll Transactions and Revenues, with Comparison to June 2025 Forecasts.

**Note:** June 2025 Toll Transactions and Toll Revenues are based on preliminary information

### Updates to SR 99 Tunnel Toll Traffic and Revenue Forecasts

This September 2025 Forecast has been updated throughout its forecast period based on the most recent actual data through FY 2025 (preliminary results).

The September forecast for adjusted revenue is 1.2% lower over the 10-year forecast horizon than the prior June TERFC forecast. The lower revenue value is a combination of lower assumed collection rates on first and second toll bills, informed by updated transaction settlement reports, partially offset by higher \$0.25 Pay By Plate fee revenue from a larger number of forecasted Pay By Plate transactions and greater rates of recaptured revenue at the Pay By Plate rate from the application of CPR in the civil penalty process.

The higher rates of CPR use in the civil penalty process also resulted in lower civil penalty revenue collection than was previously forecasted. Over the forecast horizon CP fee revenue is anticipated to decrease by 1.3 percent.

- Fiscal Year 2025 Total Toll Revenue and Fees combined of \$40.1 million are above the June 2025 Forecast by \$5.4 million (or 15.6 percent).
- The 2025-27 Biennium (FY2026 and FY2027) Total Toll Revenue and Fees combined of \$81.9 million are slightly below the June 2025 Forecast by \$0.1 million (or -0.1 percent).
- Ten-year (2024-2033) Toll Revenue and Fees of \$443.7 million are \$3.6 million (or 0.8 percent) increase to the June 2025 Forecast.



## Federal Funds Revenue

### ***Overview***

After state funds, the largest source of transportation revenue is federal funds. The Federal Funds forecast contains the formula funds distributed by the Federal Highway Administration (FHWA) to Washington State Department of Transportation for highway purposes. Federal funds reported in this forecast are based on the federal fiscal year (FFY) which begins on October 1.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA), a \$1.2 trillion investment in transportation and other types of infrastructure (including energy, water, and broadband). Nationwide, this represents a \$550 billion increase in federal government spending above baseline funding levels. The foundation of the IIJA is a new five-year authorization of the federal Surface Transportation Program to replace the expired Fixing America's Surface Transportation (FAST) Act. The IIJA authorizes \$567 billion in spending authority for all transportation programs over five years, an increase of \$274 billion (more than 48%) above FAST Act baseline spending levels. In addition, the bill broadens eligibility criteria for many existing programs and establishes within the U.S. Department of Transportation (USDOT) alone at least two dozen new formula and discretionary (competitive) grant programs targeting key priorities, including but not limited to, resiliency, sustainability, equity, and safety.

### ***FHWA – Highways Forecast***

- The total highway apportionment for Washington state for FFY 2024 was \$1,368.3 million. This reflects actual apportionment distributions for FFY 2024.
- The total apportionment forecast for FFY 2025 is based on FHWA Notices NN4510.892, N4510.893, N4510.894 and N4510.895. FFY 2026 assumes an annual growth rate of 2% which is consistent with the US funding levels set forth in the Infrastructure Investment and Jobs Act (IIJA). FFY 2027 thru FFY 2035 forecast of federal highway apportionment assumes revenue growth of 1%. The current total apportionment estimate for FFY 2025 is \$1,137.3 million.
- The baseline forecast for FFY 2027 thru FFY 2035 assume revenue growth of 1%.

### ***Obligation Authority (OA) Forecast***

- Obligation authority (OA) (a.k.a. obligation limitation) is the ceiling or total amount of commitments of federal apportionment that can be made within a year. Congress sets this ceiling or limit as part of the federal appropriation bills to control federal expenditures annually.
- The CORE OA for FFY 2024 has been reconciled to actual OA distributions and is \$1,336.4 million which includes distributions for discretionary items, Other allocated programs as well as Ferry Boat/Terminals distributions.
- Total OA forecast for FFY 2025 and throughout the forecast horizon will be set at 98% of apportionment, which is consistent with historical Washington State OA distributions.
- The methodology used to split the formula OA distributions between the State Programs and the Local Programs was modified in the September 2018 forecast.

### ***Allocations of IIJA Funds Forecast:***

When new federal transportation authorization laws are enacted, Washington state has a tradition of convening a

work group to make recommendations on future distributions of federal-aid highway formula program funding to state and local governments. The Work Group met three times in September and July 2022.

### ***Summary of funding split decisions for the five-year IJA authorization***

#### ***National Highway Performance Program -***

- Retain similar splits as FAST Act which was also assumed in the Move Ahead Washington allocation— 87% state/13%, local.
- The local share is to be administered through the NHS Asset Management Program administered through the WSDOT Local Programs Office

#### ***Surface Transportation Block Grant program –***

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified split (28 state/72% local)
- For FFY 2024 – FFY 2026, the split is revised to 16% state/84% local to effectively provide the historic split of 21% state/79% local, over the course of the five years.

#### ***Highway Safety Improvement Program –***

- No change from FAST Act distribution – continue to allocate funds based on updated crash data to support the Target Zero statewide safety plan – FFY 2022 data reflects split 30% state/70% local.

#### ***Congestion Mitigation & Air Quality (CMAQ) Program –***

- No change from FAST Act – continue to allocate funds to the five eligible Metropolitan Planning Organizations to help meet the requirements of the federal Clean Air Act– 100% local.

#### ***Bridge Replacement Program (NEW)***

- Maintain FFY 2022 and FFY 2023 at the Move Ahead Washington identified splits (85% state/15% local).
- For FFY 2024 – FFY 2026, the split is revised to 46% state/54% local to effectively provide an average split of 61% state/39% local, over the course of the five years.
- The local share is to be administered through the Local Bridge grant program administered by the WSDOT Local Programs Office
- The maximum funding cap for local bridges is raised to \$25M.
- Non-federal match for local off-system bridges will not be required by the state

#### ***National Highway Freight Program –***

- Retain current splits (50% state/50% local) as identified in Move Ahead Washington to ensure that Washington's Freight System Plan can be submitted to the Federal Highway Administration for approval by the federal October 2022 deadline.

#### ***Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Program (PROTECT) –***

- For FFY 2022 no change to Move Ahead Washington allocation (100% state).

- For FFY 2023-2026, \$25m set aside for tribal resiliency projects.  
Remaining \$75m shall be directed to local fish passage projects (over 4 years).  
The Brian Abbot Fish Barrier Removal Board shall facilitate the project selection process. The Board shall work with WSDOT Local Programs to ensure that project selection criteria are consistent with federal requirements.
- WSDOT Local Programs shall administer funding for all projects awarded PROTECT funds.

#### ***National Electric Vehicle Program –***

- New IIJA program – funds are provided 100% to the state.

#### ***Carbon Reduction Program -***

- New IIJA program funds are split 35% state/65% local.

#### ***FHWA Penalties:***

The September 2025 federal forecast incorporates four FHWA penalties for current and prior years, which Washington State was subject to.

- The Section 164 Penalty – FHWA has determined that Washington State is not in compliance with section 164 of title 23, United States Code, the Minimum Penalties for Repeat Offenders for Driving While Intoxicated or Driving Under the Influence. This penalty amounts to 2.5% of the National Highway Performance Program and Surface Transportation Block Grant Program apportionments annually and WSDOT elects to withhold the entire amount from the National Highway Performance Program. These funds are reserved for release for use on eligible Highway Safety Improvement Program (HSIP) activities or transfer to the States' 402 Safety Programs pending the outcome of the administrative and "general practice" certification review processes. Section 164 penalty funds are included as part of the Highway Safety Improvement Program totals.
- Safety Performance Penalty – FHWA has determined that Washington State has failed to meet or make significant progress towards meeting the safety performance targets established in Target Zero. This penalty requires the state to obligate an amount equal to a prior year's apportionment of HSIP funds on HSIP projects.
- Vulnerable Road Users (VRU) - Applies when the total annual fatalities of a non-motorist as defined in 23 U.S.C.148(a)(15) represents not less than 15% of the annual crash fatalities. The penalty requires that in the following fiscal year, the state obligate not less than 15% of the funds apportioned for the Highway Safety Improvement Program for Highway Safety projects to address the safety of vulnerable users as defined above.
- High Risk Rural Roads (HRRR) – This penalty applies to all states where the fatality rate on rural roads increases over the most recent 2-year period for which data is available. This penalty requires the State to obligate an amount equal to at least 200 percent of its FY 2009 high risk rural roads set-aside for high-risk rural roads, as defined in their State Strategic Highway Safety Plan.

#### ***COVID 19 Stimulus Funds:***

**The Coronavirus Aid, Relief, and Economic Security (CARES) Act** (P.L. 116-136) created a Coronavirus Relief Fund (CRF) which provides \$150 billion to state, local, territorial, and tribal governments. The CRF provides \$150

billion for expenditures incurred due to the COVID-19 public health emergency. The November, November and September 2021 federal apportionment forecasts include an estimated CRF distribution to Washington State for ferries and public transportation. This CRF estimate does not include fund distributions made directly to King, Pierce, Snohomish, and Spokane counties.

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) was signed by President Trump on December 27, 2020, making consolidated appropriations for the fiscal year ending November 30, 2021, providing coronavirus emergency response and relief. This act made modifications to existing COVID-19 relief legislation and provided additional appropriations for the expenditure of federal COVID-19 pandemic relief funds. The November and September 2021 Forecasts include funds made available to WSDOT through this CRRSAA Act of \$168 million. There will be no impact on forecasts beyond 2025.

**The America Rescue Plan Act of 2021 (ARPA) was signed into law by President Biden on March 11, 2021.** The ARPA provides an estimated \$1.9 trillion in stimulus to aid in the COVID-19 pandemic. This February 2022 Federal Highway forecast includes \$400 Million in ARPA funds intended for Fish Barrier projects. The February 2022 federal highway forecast will include \$400 million of ARPA funds that is for Fish Barrier projects. There will be no impact on forecasts beyond 2025.

## ***FTA - Public Transportation Federal Funds***

### **Overview**

In addition to the FHWA formula and non-formula programs governed by the Infrastructure Investment and Jobs Act (IIJA), the Federal Transit Administration also provides program allocations to Washington for a variety of transit projects. The IIJA authorize \$91.2 billion for FFY 2022-2026 for public transportation programs nationwide.

WSDOT each quarter forecasts the federal funds for public transportation programs. The September 2025 Public Transportation federal funds forecast reflects actual apportionments for FY 2022 through FY 2025. The updated apportionment totals reflect increased funding levels provided under the IIJA for those years. An annual growth rate of 2% is assumed for FY 2026, and a 1% annual growth rate assumed for FY 2027 through FY 2035. For the 2025-27 Biennium, WSDOT received \$30.7 million in FY 2025 FTA apportionments with \$31.3 million anticipated for FY 2026 and \$31.6 million anticipated for FY 2027.

***FTA – Washington State Ferries (WSF) Federal Funds***

WSF receives significant federal assistance through the public transportation program administered by the Department of Transportation's Federal Transit Administration (FTA). The federal public transportation program is authorized from FFY 2022 through FFY 2026 as part of the IIJA which was signed into law on November 15, 2021.

***WSF Federal Apportionment Funds Forecast***

Washington State's level of FTA apportionment for FFY 2025 will be distributed based on the most recent Puget Sound Regional Council (PSRC). The September 2025 WSF federal forecast now reflects actual distribution approved by PSRC. PSRC forecasts for FFYs 2025 – 2028 reflect PSRC projections. The forecasts for FFYs 2029-35 are based on the PSRC forecast for FFY 2028 and an annual growth rate of 1 percent which is consistent with the assumption of funding level increases by WSDOT.

## **Forecast Contacts**

### ***Economic Variables and Fuel Price Forecast***

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 [luish@dor.wa.gov](mailto:luish@dor.wa.gov)

### ***Motor Fuel Tax Revenue Forecast***

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 [luish@dor.wa.gov](mailto:luish@dor.wa.gov)

### ***Motor Vehicle Licenses, Permits & Fees Revenue Forecast***

Tyler Humphries, Economic & Revenue Forecast Council - 360-534-1560 [tylerh3@dor.wa.gov](mailto:tylerh3@dor.wa.gov)

Alice Vogel, Washington State Department of Licensing, 360-902-3986 [avogel@dol.wa.gov](mailto:avogel@dol.wa.gov)

Olga Novikova, Washington State Department of Licensing, 360-902-0121, [onovikova@dol.wa.gov](mailto:onovikova@dol.wa.gov)

Tom Gilmore, Washington State Department of Licensing, 360-902-3751, [tgilmore@dol.wa.gov](mailto:tgilmore@dol.wa.gov)

Christian Bush, Washington State Department of Licensing, 360-634-5237, [Christian.Bush@dol.wa.gov](mailto:Christian.Bush@dol.wa.gov)

### ***Driver Related Revenue Forecasts***

Alice Vogel, Washington State Department of Licensing, 360-902-3986 [avogel@dol.wa.gov](mailto:avogel@dol.wa.gov)

Rina Wikandari, Washington State Department of Licensing, 360-634-5379 [rina.wikandari@dol.wa.gov](mailto:rina.wikandari@dol.wa.gov)

Wenjun Wu, Ph.D., Washington State Department of Licensing, 360-634-5108, [wenjun.wu@dol.wa.gov](mailto:wenjun.wu@dol.wa.gov)

### ***Other Transportation Related Revenue Forecast***

#### ***Vehicle Sales, Rental Car Tax and Heavy Equipment Rental Tax***

Tyler Humphries, Economic & Revenue Forecast Council - 360-534-1560 [tylerh3@dor.wa.gov](mailto:tylerh3@dor.wa.gov)

#### ***Studded Tire Fee***

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 [luish@dor.wa.gov](mailto:luish@dor.wa.gov)

#### ***HOV Penalties and Hazardous Substance Tax***

Luis Hillon, Economic & Revenue Forecast Council - 360-534-1560 [luish@dor.wa.gov](mailto:luish@dor.wa.gov)

#### ***Business and Other Revenue***

Ruslan Makhoulouf, WSDOT-HQ 360-705-7944 [olsonr@wsdot.wa.gov](mailto:olsonr@wsdot.wa.gov)

**WSP Business Related Revenue**

Mario Buono, WSP (360) 596-4046 x11046, [mario.buono@wsp.wa.gov](mailto:mario.buono@wsp.wa.gov)

**Speed Safety Camera Systems**

Kyle Miller, WSDOT, 360-705-7946, [milleky@wsdot.wa.gov](mailto:milleky@wsdot.wa.gov)

Leingang, Tony, WSDOT 360-709-8002, [leingaa@wsdot.wa.gov](mailto:leingaa@wsdot.wa.gov)

**Aeronautics Revenue**

Alice Vogel, Washington State Department of Licensing, 360-902-3986 [avogel@dol.wa.gov](mailto:avogel@dol.wa.gov)

**Washington State Ferries Ridership and Revenue Forecast**

Siri Olson, WSDOT – Ferry Division 206-515-3762 [siri.olson@wsdot.wa.gov](mailto:siri.olson@wsdot.wa.gov)

**Toll Operations Traffic and Revenue**

Jen Khozikov, WSDOT-Toll Division, 206-716-1153, [khozikj@wsdot.wa.gov](mailto:khozikj@wsdot.wa.gov)

Joe Patterson, WSDOT-Toll Division, 206-464-1220 [patterj@wsdot.wa.gov](mailto:patterj@wsdot.wa.gov)

**Federal Funds Forecast****FHWA**

Anissa Allen, WSDOT

**Federal Public Transportation**

Michelle Cowan, WSDOT, [cowanmi@wsdot.wa.gov](mailto:cowanmi@wsdot.wa.gov), 360-705-6956

Firas Makhlof, WSDOT, [makhlof@wsdot.wa.gov](mailto:makhlof@wsdot.wa.gov), 360-705-7875

**FTA Ferries**

Siri Olson, Washington State Department of Transportation, 206.948.3769, [siri.olson@wsdot.wa.gov](mailto:siri.olson@wsdot.wa.gov)

Brent Baker, WSP, [brent.baker@wsp.com](mailto:brent.baker@wsp.com)